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Title:
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(Continued on next card)

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BEFORE THE

INTERSTATE COMMERCE COMMISSION

IN THE MATTER

OF THE

JOINT APPLICATION OF THE NEW YORK, CHICAGO AND ST. LOUIS RAILROAD COMPANY, THE CHESAPEAKE AND OHIO RAILWAY COMPANY, THE HOCKING VALLEY RAILWAY COMPANY, ERIE RAILROAD COMPANY, PERE MARQUETTE RAILWAY COMPANY, AND THE NEW YORK, CHICAGO AND ST. LOUIS RAILWAY COMPANY FOR AUTHORITY FOR THE LAST-NAMED COMPANY TO ACQUIRE CONTROL OF THE SYSTEMS OF THE OTHER COMPANIES NAMED, UNDER PARAGRAPH (2) OF SECTION 5 OF THE INTERSTATE COMMERCE ACT, AND SEPARATE APPLICATION OF THE NEW YORK, CHICAGO AND ST. LOUIS RAILWAY COMPANY FOR AUTHORITY TO ISSUE CAPITAL STOCK, UNDER SECTION 20*a* OF THE INTERSTATE COMMERCE ACT.

FINANCE DOCKET No.

APPLICATIONS WITH EXHIBITS

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C. C. COLLISTER, General Attorney,
The New York, Chicago and St. Louis Railroad Company.

HERBERT FITZPATRICK, Vice-President and General Counsel,
GEO. H. GARDNER, Assistant General Attorney,
The Chesapeake and Ohio Railway Company,
The Hocking Valley Railway Company.

GEORGE F. BROWNELL, Vice-President and General Counsel,
H. A. TAYLOR, General Solicitor,
Erie Railroad Company.

HENRY V. POOR, Chief Counsel,
S. L. MERRIAM, General Counsel,
Pere Marquette Railway Company.

W. A. COLSTON,
JOHN H. AGATE,
WHITE & CASE, } **Counsel,**
The New York, Chicago and St. Louis Railway Company.

Dated February 19, 1925.

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INDEX.

	PAGE
Application under Paragraph (2) of Section 5..	1
Application under Section 20*a*.....	18
Application, Lists of Exhibits..... (*See also, "Exhibits," infra.*)	16, 23
Application, Prayer	23
Application, Verifications	26–31
Articles of Incorporation of The New York, Chicago and St. Louis Railway Company (Exhibit No. 6).....	47
Balance Sheets—*See under names of various companies*	....
Bath and Hammondsport Railroad Company	
General Balance Sheet (Exhibit No. 44)..	440
Income Account (Exhibit No. 42).....	436
Profit and Loss Account (Exhibit No. 43).	438
Capital Stock	
Certificates for—*See "The New York, Chicago and St. Louis Railway Company," infra*	....
of Lessor Companies and New Company, comparison of amounts of (Exhibit No. 72)	534
Charters—*See "Erie Railroad Company" and "The New York, Chicago and St. Louis Railway Company", infra*.....	....

Business

PAGE

Chesapeake and Ohio Railway Company, The
- General Balance Sheet (Exhibit No. 35) ... 423
- Income Account (Exhibit No. 33) 418
- Opinion of Counsel (Exhibit No. 25) 408
- Profit and Loss Account (Exhibit No. 34) . 420
- Proposed Lease (Exhibit No. 20) 149
- Resolutions of Directors (Exhibit No. 8) .. 70
- Table showing composition of system (Exhibit No. 66) 512

Chicago and Erie Railroad Company
- General Balance Sheet (Exhibit No. 47) .. 446
- Income Account (Exhibit No. 45) 442
- Profit and Loss Account (Exhibit No. 46) .. 444

Comparison of amounts of stock of Lessor Companies and New Company (Exhibit No. 72) .. 534

Corporate Income Account—*See under names of various companies* ....

Erie Railroad Company
- Charter Amendment (Exhibit No. 4) 33
- General Balance Sheet (Exhibit No. 41) .. 434
- Income Account (Exhibit No. 39) 430
- Opinion of Counsel (Exhibit No. 27) 410
- Profit and Loss Account (Exhibit No. 40) . 432
- Proposed Lease (Exhibit No. 22) 265
- Resolutions of Directors (Exhibit No. 10) . 81
- Table showing composition of system (Exhibit No. 68) 516

Erie Terminals Railroad Company
- General Balance Sheet (Exhibit No. 50) .. 452
- Income Account (Exhibit No. 48) 448
- Profit and Loss Account (Exhibit No. 49) . 450

PAGE

EXHIBITS:

No. 1. Certified copies of Agreement and Articles of Consolidation creating The New York, Chicago and St. Louis Railroad Company and of its By-laws, with all amendments. (Previously filed—see Finance Dockets Nos. 2919, 3454 and 3582.) ....

No. 2. Certified copies of Charter and By-laws of The Chesapeake and Ohio Railway Company, with all amendments. (Previously filed — see Finance Docket No. 4231.) ....

No. 3. Certified copies of the Charter and By-laws of The Hocking Valley Railway Company, with all amendments. (Previously filed — see Finance Dockets Nos. 1174 and 3145.) ....

No. 4. Certified copies of Charter and By-laws of Erie Railroad Company, with all amendments. (Previously filed in part—see Finance Docket No. 33.) Part filed herewith.... 33

No. 5. Certified copies of Charter and By-laws of Pere Marquette Railway Company, with all amendments. (Previously filed — see Finance Docket No. 1397.) ....

No. 6. Certified copy of Articles of Incorporation of The New York, Chicago and St. Louis Railway Company.. 47

No. 7. Attested copy of Resolutions of Directors of The New York, Chicago and St. Louis Railroad Company. 67

EXHIBITS: PAGE

No. 8. Attested copy of Resolutions of Directors of The Chesapeake and Ohio Railway Company..... 70

No. 9. Attested copy of Resolutions of Directors of The Hocking Valley Railway Company..... 76

No. 10. Attested copy of Resolutions of Directors of Erie Railroad Company. 81

No. 11. Attested copy of Resolutions of Directors of Pere Marquette Railway Company 86

No. 12. Attested copy of Resolutions of Incorporators of The New York, Chicago and St. Louis Railway Company 91

No. 13. Attested copy of Resolutions of Stockholders of The New York, Chicago and St. Louis Railroad Company. (To be filed after meeting has been held.) ....

No. 14. Attested copy of Resolutions of Stockholders of The Chesapeake and Ohio Railway Company. (To be filed after meeting has been held.). ....

No. 15. Attested copy of Resolutions of Stockholders of The Hocking Valley Railway Company. (To be filed after meeting has been held.)....

No. 16. Attested copy of Resolutions of Stockholders of Erie Railroad Company. (To be filed after meeting has been held.) ....

EXHIBITS: PAGE

No. 17. Attested copy of Resolutions of Stockholders of Pere Marquette Railway Company. (To be filed after meeting has been held.)..... ....

No. 18. Key map.....Following Page 92

No. 19. Copy of Proposed Lease from The New York, Chicago and St. Louis Railroad Company 93

No. 20. Copy of Proposed Lease from The Chesapeake and Ohio Railway Company 149

No. 21. Copy of Proposed Lease from The Hocking Valley Railway Company 217

No. 22. Copy of Proposed Lease from Erie Railroad Company..... 265

No. 23. Copy of Proposed Lease from Pere Marquette Railway Company..... 357

No. 24. Opinion of Counsel for The New York, Chicago and St. Louis Railroad Company 407

No. 25. Opinion of Counsel for The Chesapeake and Ohio Railway Company. 408

No. 26. Opinion of Counsel for The Hocking Valley Railway Company..... 409

No. 27. Opinion of Counsel for Erie Railroad Company 410

No. 28. Opinion of Counsel for Pere Marquette Railway Company..... 411

No. 29. Opinion of Counsel for The New York, Chicago and St. Louis Railway Company..... 412

PAGE

EXHIBITS:

No. 30. Corporate Income Account—The New York, Chicago and St. Louis Railroad Company..... 413

No. 31. Profit and Loss Account—The New York, Chicago and St. Louis Railroad Company..... 414

No. 32. General Balance Sheet—The New York, Chicago and St. Louis Railroad Company..... 416

No. 33. Corporate Income Account — The Chesapeake and Ohio Railway Company 418

No. 34. Profit and Loss Account—The Chesapeake and Ohio Railway Company. 420

No. 35. General Balance Sheet—The Chesapeake and Ohio Railway Company. 422

No. 36. Corporate Income Account — The Hocking Valley Railway Company 424

No. 37. Profit and Loss Account—The Hocking Valley Railway Company.... 426

No. 38. General Balance Sheet—The Hocking Valley Railway Company.... 428

No. 39. Corporate Income Account — Erie Railroad Company..... 430

No. 40. Profit and Loss Account—Erie Railroad Company..... 432

No. 41. General Balance Sheet—Erie Railroad Company..... 434

No. 42. Corporate Income Account — Bath and Hammondsport Railroad Company 436

PAGE

EXHIBITS:

No. 43. Profit and Loss Account—Bath and Hammondsport Railroad Company. 438

No. 44. General Balance Sheet—Bath and Hammondsport Railroad Company. 440

No. 45. Corporate Income Account—Chicago and Erie Railroad Company..... 442

No. 46. Profit and Loss Account—Chicago and Erie Railroad Company..... 444

No. 47. General Balance Sheet—Chicago and Erie Railroad Company..... 446

No. 48. Corporate Income Account—Erie Terminals Railroad Company..... 448

No. 49. Profit and Loss Account—Erie Terminals Railroad Company..... 450

No. 50. General Balance Sheet—Erie Terminals Railroad Company..... 452

No. 51. Corporate Income Account—The New Jersey and New York Railroad Company 454

No. 52. Profit and Loss Account—The New Jersey and New York Railroad Company 456

No. 53. General Balance Sheet—The New Jersey and New York Railroad Company 458

No. 54. Corporate Income Account — New York, Susquehanna and Western Railroad Company 460

No. 55. Profit and Loss Account—New York, Susquehanna and Western Railroad Company 462

PAGE

EXHIBITS:

No. 56. General Balance Sheet—New York, Susquehanna and Western Railroad Company 464

No. 57. Corporate Income Account — The Wilkes-Barre and Eastern Railroad Company 466

No. 58. Profit and Loss Account — The Wilkes-Barre and Eastern Railroad Company 468

No. 59. General Balance Sheet—The Wilkes-Barre and Eastern Railroad Company 470

No. 60. Corporate Income Account—Pere Marquette Railway Company..... 472

No. 61. Profit and Loss Account—Pere Marquette Railway Company..... 474

No. 62. General Balance Sheet—Pere Marquette Railway Company..... 476

No. 63. General Balance Sheet—The New York, Chicago and St. Louis Railway Company 478

No. 64. Copy of Proposal by O. P. and M. J. Van Sweringen, with Deposit Agreement annexed 479

No. 65. Table showing composition of the system of The New York, Chicago and St. Louis Railroad Company.. 510

No. 66. Table showing composition of the system of The Chesapeake and Ohio Railway Company 512

PAGE

EXHIBITS:

No. 67. Table showing composition of the system of The Hocking Valley Railway Company 514

No. 68. Table showing composition of the system of Erie Railroad Company... 516

No. 69. Table showing composition of the system of Pere Marquette Railway Company 530

No. 70. Table showing interlocking officers, directors, *etc*..... 532

No. 71. Table showing points of interchange. 533

No. 72. Table showing comparative amounts of stock of Lessor Companies and New Company 534

No. 73. Map of the line to be constructed by The New York, Chicago and St. Louis Railway Company. (Previously filed with return to questionnaire in Finance Docket No. 4643, as Exhibit No. 1.)..... ....

No. 74. Profile of the line to be constructed by The New York, Chicago and St. Louis Railway Company. (Previously filed with return to questionnaire in Finance Docket No. 4643, as Exhibit No. 2.)..... ....

No. 75. Form of certificate for preferred stock of The New York, Chicago and St. Louis Railway Company.. 535

No. 76. Form of certificate for common stock of The New York, Chicago and St. Louis Railway Company..... 543

PAGE

EXHIBITS:

No. 77. Form of certificate for fractional share of preferred stock of The New York, Chicago and St. Louis Railway Company 546

No. 78. Form of certificate for fractional share of common stock of The New York, Chicago and St. Louis Railway Company 549

Exhibits, Lists of, in Application 16, 23

Forms of Securities

Certificates for Preferred Stock (Exhibit No. 75) 535

Certificate for Common Stock (Exhibit No. 76) 543

Certificate for Fractional Share of Preferred Stock (Exhibit No. 77) 546

Certificate for Fractional Share of Common Stock (Exhibit No. 78) 549

General Balance Sheets—*See under names of various companies* ....

Hocking Valley Railway Company, The

General Balance Sheet (Exhibit No. 38) .. 428
Income Account (Exhibit No. 36) 424
Opinion of Counsel (Exhibit No. 26) 409
Profit and Loss Account (Exhibit No. 37) . 426
Proposed Lease (Exhibit No. 21) 217
Resolutions of Directors (Exhibit No. 9) .. 76
Table showing composition of system (Exhibit No. 67) 514

Income Accounts—*See under names of various companies* ....

PAGE

Interchange Points (Exhibit No. 71) 533

Interlocking Officers, Directors, *etc.* (Exhibit No. 70) 532

Key Map (Exhibit No. 18) .....Following Page 92

Leases, proposed—*See under names of various companies* ....

New Jersey and New York Railroad Company, The

General Balance Sheet (Exhibit No. 53) ... 458
Income Account (Exhibit No. 51) 454
Profit and Loss Account (Exhibit No. 52) . 456

New York, Chicago and St. Louis Railroad Company, The

General Balance Sheet (Exhibit No. 32) .. 418
Income Account (Exhibit No. 30) 413
Opinion of Counsel (Exhibit No. 24) 407
Profit and Loss Account (Exhibit No. 31) .. 414
Proposed Lease (Exhibit No. 19) 93
Resolutions of Directors (Exhibit No. 7) .. 67
Table showing composition of system (Exhibit No. 65) 510

New York, Chicago and St. Louis Railway Company, The

Articles of Incorporation (Exhibit No. 6) . 47
Certificate for Preferred Stock (Exhibit No. 75) 535
Certificate for Common Stock (Exhibit No. 76) 543
Certificate for Fractional Share of Preferred Stock (Exhibit No. 77) 546
Certificate for Fractional Share of Common Stock (Exhibit No. 78) 549
General Balance Sheet (Exhibit No. 63) .. 478
Opinion of Counsel (Exhibit No. 29) 412
Resolutions of Incorporators (Exhibit No. 12) 91

	PAGE
New York, Susquehanna and Western Railroad Company	
General Balance Sheet (Exhibit No. 56)	464
Income Account (Exhibit No. 54)	460
Profit and Loss Account (Exhibit No. 55)	462
Opinions of Counsel—*See under names of various companies*	....
Pere Marquette Railway Company	
General Balance Sheet (Exhibit No. 62)	476
Income Account (Exhibit No. 60)	472
Opinion of Counsel (Exhibit No. 28)	411
Profit and Loss Account (Exhibit No. 61)	474
Proposed Lease (Exhibit No. 23)	357
Resolutions of Directors (Exhibit No. 11)	86
Table showing composition of system (Exhibit No. 69)	530
Prayer of Application	23
Profit and Loss Accounts—*See under names of various companies*	....
Proposal (Exhibit No. 64)	479
Proposed Leases—*See under names of various companies*	....
Resolutions of Directors or Incorporators—*See under names of various companies*	....
Securities, forms of—*See "Forms of Securities", supra*	....
Stock—*See "Capital Stock", supra*	....
Table showing composition of systems—*See under names of various companies*	....
Verification of Application	26-31
Wilkes-Barre and Eastern Railroad Company, The	
General Balance Sheet (Exhibit No. 59)	470
Income Account (Exhibit No. 57)	466
Profit and Loss Account (Exhibit No. 58)	468

BEFORE THE

Interstate Commerce Commission

IN THE MATTER

OF THE

JOINT APPLICATION OF THE NEW YORK, CHICAGO AND ST. LOUIS RAILROAD COMPANY, THE CHESAPEAKE AND OHIO RAILWAY COMPANY, THE HOCKING VALLEY RAILWAY COMPANY, ERIE RAILROAD COMPANY, PERE MARQUETTE RAILWAY COMPANY, AND THE NEW YORK, CHICAGO AND ST. LOUIS RAILWAY COMPANY FOR AUTHORITY FOR THE LAST-NAMED COMPANY TO ACQUIRE CONTROL OF THE SYSTEMS OF THE OTHER COMPANIES NAMED, UNDER PARAGRAPH (2) OF SECTION 5 OF THE INTERSTATE COMMERCE ACT, AND SEPARATE APPLICATION OF THE NEW YORK, CHICAGO AND ST. LOUIS RAILWAY COMPANY FOR AUTHORITY TO ISSUE CAPITAL STOCK, UNDER SECTION 20*a* OF THE INTERSTATE COMMERCE ACT.

To the Interstate Commerce Commission:

Your applicants respectfully show:

Application under Paragraph (2) of Section 5.

(*a*) The exact corporate names of the applicants are: *The New York, Chicago and St. Louis Railroad Company, The Chesapeake and Ohio Railway Company, The Hocking Valley Railway Company, Erie Railroad Company,* and *Pere Marquette Railway Company* (in these appli-

cations called, respectively, "the Nickel Plate", "the Chesapeake", "the Hocking", "the Erie", and "the Pere Marquette", and sometimes referred to as "the Lessor Companies"), and *The New York, Chicago and St. Louis Railway Company* (in these applications called "the New Company").

(*b*) Each of the Lessor Companies is, and the New Company will be, a carrier by railroad, engaged in the transportation of passengers and property subject to the interstate commerce act.

(*c*) This application is made under paragraph (2) of section 5 of the interstate commerce act, as amended, and has for its object the acquisition by the New Company of control of the systems of the Lessor Companies consisting, respectively, of the companies and railroads set forth in Exhibits Nos. 65 to 69, both inclusive, filed herewith and hereby made part hereof.

The New Company proposes to acquire control of said systems pursuant to the Proposal by O. P. and M. J. Van Sweringen, dated August 20, 1924, a copy of which, with Deposit Agreement annexed, is hereto attached, marked Exhibit No. 64, and hereby made part hereof. Such control is to be acquired (1) under leases for 999 years from the Lessor Companies of the lines of railway and of other properties, owned by them, respectively (copies of which proposed leases are hereto attached, marked respectively Exhibits Nos. 19 to 23, both inclusive, and hereby made part hereof), and by assignment from each Lessor Company of the leases whereby such Lessor Company now operates existing railways of its system not owned by it, or by sublease thereof from such Lessor Company, and by the assignment of any and all trackage and operating rights over foreign lines; and/or (2) by the purchase by the New Company of at least a majority of the capital stock of the Chesapeake, the Hocking, the Erie

and the Pere Marquette. The proposed leases from the Nickel Plate, the Chesapeake, the Erie and the Pere Marquette will run directly to the New Company. The proposed lease from the Hocking will run to the Chesapeake and be assigned to the New Company.

Under such proposed lease from the Pere Marquette, the New Company will likewise acquire control of The Lake Erie and Detroit River Railway, a Canadian corporation all of the capital stock of which is owned by the Pere Marquette, and which owns lines of railroad extending from Walkerville to St. Thomas, and from Sarnia to Ericau, together with certain lands and franchises, all in the Province of Ontario, Dominion of Canada.

The New Company intends to operate all of the railroad properties now operated by each of the Lessor Companies, whether the same be owned by such Lessor Company or not; also the properties of Chicago and Erie Railroad Company, which are now operated by that company. It does not intend to operate the properties of any other company embraced within the system of any Lessor Company which are not now operated by such Lessor Company; but, on the contrary, the intention is that, for the present, all properties so operated shall continue to be operated as they now are.

The reasons which applicants have to show that such acquisition of control will be in the public interest (full details and particulars being reserved for the hearing) are as follows:

(1) Under the plan set forth in the Proposal there will be created, out of existing independently operated railway systems, a single system comprising approximately 9,160 miles of road (including trackage rights) in the United States, and 337 miles in the Dominion of Canada. The lines of railroad, which will make up the unified system, are complementary and supplementary and, from the standpoint of physical sit-

uation and traffic handled, logically lend themselves to unification and operation as a single system. The New Company has heretofore filed with this Commission an application (Finance Docket No. 4643) for authority to construct and operate a new line of railroad connecting the lines of the Chesapeake with those of the Hocking. The main lines of the unified system will extend from the ports of New York, N. Y., and Newport, News, Va., to connections with the principal western, northwestern and southwestern railroads at the mid-western gateways of Chicago, Ill., Peoria, Ill., and St. Louis, Mo.; also to the gateways of Louisville, Ky., Cincinnati, Ohio, and Indianapolis, Ind. They will reach such important cities as Rochester, N. Y., Buffalo, N. Y., Erie, Pa., Cleveland, Ohio, Sandusky, Ohio, Toledo, Ohio, Columbus, Ohio, and Fort Wayne, Ind., and serve industrial Michigan through the Columbus, Toledo and Detroit (Mich.) gateways. The unified system will serve the great Mahoning Valley steel district, particularly the mills and plants at Sharon, Pa., and Youngstown, Ohio; also the rubber industry at Akron, Ohio, and vicinity. It will serve the extensive bituminous and anthracite coal fields of northern Pennsylvania and the bituminous coal fields of West Virginia, Kentucky and Ohio. It will afford outlets from such coal fields to tide-water, to the Great Lakes and to the North and West. It will also afford to all territory served by it, including the industrial region adjacent to the Great Lakes, continuous transportation over originating rails to and from the points above named and intermediate points.

(2) The chief and by far the strongest competitors for traffic between Chicago and the Middle West, on the one hand, and New York, on the other, are The New York Central Railroad Company, The Pennsylvania Railroad Company and The Baltimore and Ohio Railroad Company. The acquisition of control of the Lessor Companies, as proposed, will bring a fourth real competitor into this field.

(3) The Chesapeake owns a large majority of the outstanding capital stock of the Hocking. The unified control and operation of their lines in conjunction with those of the Pere Marquette, the Nickel Plate and the Erie will result in better service in providing industrial Michigan and Central Freight Association territory with the coal essential for their industries; will reduce congestion at the Cincinnati (Ohio) gateway; will provide for more efficient and satisfactory distribution of the manufactured products of Michigan and Central Freight Association territory to the East, South and West; and will insure improved handling of grain moving from the West to New York and other eastern ports, relieving the Nickel Plate and the Pere Marquette from embargoes at Buffalo and elsewhere against such traffic, which have been imposed by their eastern connections in times of congestion.

(4) The acquisition of control of the systems of the Lessor Companies as proposed, will open direct routes between points of origin and destination for a large volume of present and future traffic; will provide for increased traffic; will reduce the number of operating companies, the lines of which comprise the various existing combination routes now offered by the Lessor Companies; will increase the competitive strength of such routes; will bring about a better co-ordination between the lines comprising those routes; will simplify their relations to the traveling and shipping public in the conduct of business and in the settlement of claims, and to public authorities, state and federal, having jurisdiction thereover; will result in the substitution of one-line hauls for two-or-more-line hauls; will make possible a better balancing of the volumes of traffic moving in opposite directions over

the various lines of the unified system; will bring about more efficient and dependable service to the public; will make possible the unification of standards and practices; and will promote convenience and simplicity and effect great economies in operation and in accounting.

(5) The aggregate amount of the outstanding stocks of the Lessor Companies (including stocks of the Chesapeake and the Hocking held in their respective treasuries) is $390,320,855. If no stock of the New Company be issued in exchange for the stock of the Hocking owned by the Chesapeake (and it is not now contemplated that any will be), the maximum amount of stocks of the New Company issuable under the proposed lease from the Nickel Plate and in exchange for stocks of the other Lessor Companies will be but $282,568,642.50, or $107,752,212.50 less than the amount of such outstanding stocks of the Lessor Companies. (See Exhibit No. 72, filed herewith, and Statement A attached to said Proposal.)

(6) The proposed acquisition of control is in harmony both with the policy and purposes of the transportation act, 1920, and with the recommendations made in this Commission's annual reports to Congress for the years 1918 and 1919.

(*d*) The name, title and post office address of counsel to whom correspondence in regard to this application should be addressed are:

W. A. Colston, Counsel,
Columbia Building,
Cleveland, Ohio.

(*e*) (1) The Nickel Plate is a consolidated corporation organized under the laws of the states of New York, Pennsylvania, Ohio, Indiana and Illinois, and is authorized to and does operate railroads in those states and in

the State of Missouri. (See Exhibit No. 65, filed herewith.)

(2) The Chesapeake was incorporated as successor to The Chesapeake and Ohio Railroad Company by decree of foreclosure and sale of the Circuit Court of the City of Richmond, Virginia, and deed pursuant thereto, dated July 1, 1878, and under the acts of the General Assembly of Virginia, passed subsequently to July 1, 1878, extending and defining its powers. Effective September 28, 1922, its charter was amended under, and it is now subject to, the General Law. The Chesapeake is authorized to and does operate railroads in the states of Virginia, West Virginia, Kentucky, Ohio, Indiana and Illinois, and in the District of Columbia. It is authorized to and does operate a system of water transportation between Newport News and Norfolk, Sewall's Point and Portsmouth, in the State of Virginia; between South Ripley, Kentucky, and Ripley, Ohio; between South Portsmouth, Kentucky, and Portsmouth, Ohio; and between New Richmond, Kentucky, and New Richmond, Ohio. The other companies of the Chesapeake system were respectively incorporated in the states shown on Exhibit No. 66, filed herewith. Each of said companies is authorized to operate railroads within the state in which it was incorporated, and the railroads, if any, which it owns, are operated therein by the Chesapeake.

(3) The Hocking was incorporated under the laws of the State of Ohio and is authorized to and does operate railroads in that state. The other companies of the Hocking system were incorporated under the laws of the State of Ohio; and each of said companies is authorized to operate railroads within that state, and its railroads are operated therein by the Hocking. (See Exhibit No. 67, filed herewith.)

(4) The Erie was incorporated under the laws of the State of New York and is authorized to and does operate

railroads in that state and in the states of New Jersey, Pennsylvania and Ohio. It is authorized to and does operate car floats across the Hudson River between points in New Jersey and points in the City of New York. The other companies of the Erie System were respectively incorporated in the states shown on Exhibit No. 68, filed herewith. Each of said companies is authorized to operate railroads within the state in which it was incorporated, and the railroads, if any, which it owns, are operated therein by the Erie or otherwise as shown on said Exhibit No. 68.

(5) The Pere Marquette was incorporated under the laws of the State of Michigan and is authorized to and does operate railroads in that state, in the states of Wisconsin, Illinois, Indiana and Ohio, and in the Dominion of Canada. It is authorized to and does operate car ferries between Ludington, Mich., on the east, and Milwaukee, Manitowoc and Kewaunee, all in the State of Wisconsin, on the west. The other companies of the Pere Marquette system (not including The Lake Erie and Detroit River Railway, which is not treated as a Pere Marquette system company for the purposes of these applications) were incorporated under the laws of the State of Michigan; and each of said companies is authorized to operate railroads within that state, and its railroads are operated therein by the Pere Marquette. Car ferries are operated across Lake Erie between Ericau, Ont., and Port Stanley, Ont., on the north, and Conneaut, Ohio, on the south, by The Marquette & Bessemer Dock and Navigation Company, one-half of the capital stock of which is owned by the Pere Marquette and the other half by Bessemer & Lake Erie Railroad Company. (See Exhibit No. 69, filed herewith.)

(6) The New Company was incorporated under the laws of the State of Ohio and is or will be authorized to

operate in that state, the states of New York, Pennsylvania, New Jersey, Indiana, Illinois, Michigan, Wisconsin, Missouri, Kentucky, West Virginia and Virginia, the District of Columbia, and the Dominion of Canada.

(*f*) The making and filing of this application were authorized and approved at meetings of the respective boards of directors of the Lessor Companies and of the incorporators of the New Company, held as follows:

The Nickel Plate	Cleveland, Ohio,	January 20, 1925
The Chesapeake	"	" " "
The Hocking	"	" " " "
The Erie	New York, N. Y.,	" 23, "
The Pere Marquette	" " " "	February 11, "
The New Company	Cleveland, Ohio,	January 23, "

The proposed acquisition of control under leases has not yet been approved by the respective stockholders of the several Lessor Companies, but meetings of such stockholders have been duly called and are to be held at the places and upon the dates following, respectively, to wit:

The Nickel Plate	Cleveland, Ohio,	April 2, 1925
The Chesapeake	Richmond, Va.,	March 30, "
The Hocking	Columbus, Ohio,	" 28, "
The Erie	New York, N. Y.,	" 25, "
The Pere Marquette	Detroit, Mich.,	" 21, "

Sufficient stockholders of each Lessor Company have become parties to the Deposit Agreement attached to said Proposal, either by depositing stock or by giving proxies to the Committee, as therein provided, to insure the approval of the plan and the authorization of the proposed leases by the affirmative vote required by the statutes of the states concerned in such case made and provided.

At a meeting of the Committee held in the City of Cleveland, Ohio, on January 29, 1925, the plan was duly

declared by the Committee to be operative as to each and all of the Lessor Companies; and notice of its determination that the holders of sufficient stock of the various Lessor Companies have become parties to the Deposit Agreement to warrant such declaration has been duly filed with the Depositary.

(*g*) Each Lessor Company exercised control over the companies comprising its system at the time of making this application in the manner set forth in Exhibits Nos. 65 to 69, both inclusive, filed herewith. The New Company does not exercise any control over any carrier at the time of making this application.

(*h*) The Erie and the Pere Marquette have no officer or director in common, nor has either of them any officer or director in common with any other Lessor Company. Various persons hold positions in common with two or more of the other Lessor Companies, *viz.*, the Nickel Plate, the Chesapeake and the Hocking, having been authorized to do so by orders of this Commission. The New Company has no officers or directors, but its incorporators hold positions with one or more of the Lessor Companies. For detailed information, including references to such orders, see Exhibit No. 70, hereto attached and hereby made part hereof.

(*i*) The total operated first main track mileage of the Nickel Plate system, all of which is operated by the Nickel Plate, as aforesaid, is 1695.30 miles, included wherein is trackage, aggregating 22.34 miles, parts of which trackage are owned respectively by one or more other railroad companies, as follows: 1.74 miles by the Delaware, Lackawanna & Western Railroad Company, 2.23 miles by The Pennsylvania Railroad Company, 4.25 miles by The New York Central Railroad Company, 6.40 miles by The New York Central Railroad Company and

Chicago, Rock Island & Pacific Railway Company, 3.88 miles by Terminal Railroad Association of St. Louis, 2.42 miles by Peoria & Pekin Union Railway Company, 0.79 miles by Indianapolis Union Railway Company, and 0.63 miles by Michigan Central Railroad Company, and all of which trackage is operated by the Nickel Plate under the terms of certain operating contracts now in force. The principal termini of the operated lines of the Nickel Plate system are Chicago, Peoria, St. Louis, Indianapolis, Toledo, Sandusky and Buffalo. The principal termini of the owned lines of the Nickel Plate system are the same with the substitution of East St. Louis, Ill., for St. Louis. (In this connection see Exhibit No. 65, filed herewith.) The Nickel Plate Connecting Railroad Corporation neither owns nor operates any line of railway, but owns certain franchises in the County of Erie and State of New York.

The total operated first main track mileage of the Chesapeake system, all of which is operated by the Chesapeake, as aforesaid, is 2649.41 miles, included wherein is trackage, aggregating 294.89 miles, parts of which trackage are owned respectively by one or more other railroad companies, as follows: 3.3 miles by Washington Terminal Company and Philadelphia, Baltimore and Washington Railroad Company, 5.82 miles by Washington-Southern Railway Company, 26.92 miles by Virginian Railway Company, 2.75 miles by Kanawha and Michigan Railway Company, 76.4 miles by Southern Railway Company, 1.73 miles by The Baltimore and Ohio Railroad Company, 8.3 miles by Norfolk and Western Railway Company, 84.4 miles by Louisville and Nashville Railroad Company, 2.57 miles by Erie Railroad Company, 19.79 miles by Chicago and Western Indiana Railroad Company, 62.0 miles by Norfolk and Western Railway Company and 0.91 mile by The Hocking Valley Railway Company, and all of which trackage is operated by the

Chesapeake under the terms of certain operating contracts now in force. The principal termini of the operated lines of the Chesapeake system are Fort Monroe, Va., Washington, D. C., Chicago, Louisville and Valley Crossing, Ohio. The principal termini of the owned lines of the Chesapeake system are the same, with the substitution of Lexington, Ky., for Louisville, and Waverly, Ohio, for Valley Crossing. The operated mileage and termini of the lines of the several companies comprising said system are as shown on Exhibit No. 66, filed herewith. Neither Levisa River Railroad Company nor Rockcastle Railroad Company owns or operates any line of railway.

The total operated first main track mileage of the Hocking system, all of which is operated by the Hocking, as aforesaid, is 348.57 miles, included wherein is trackage, aggregating 6.75 miles, parts of which are owned respectively by one or more other railroad companies, as follows: 3.45 miles by The Toledo Terminal Railroad Company, 2.50 miles by The New York Central Railroad Company, 0.5 mile by Pittsburgh, Cincinnati, Chicago and St. Louis Railroad Company, and 0.30 mile by The Baltimore and Ohio Railroad Company, and all of which trackage is operated by the Hocking under the terms of certain operating contracts now in force. The principal termini of the operated lines of the Hocking system are Toledo, Athens, Jackson and Pomeroy, all in the State of Ohio. The principal termini of the owned lines of the Hocking are Toledo, Athens and Pomeroy. The operated mileage and termini of the lines of the several companies comprising said system are as shown on Exhibit No. 67, filed herewith.

The total operated first main track mileage of the Erie system, operated by the Erie or by Chicago and Erie Railroad Company, as aforesaid, is 2,307.67 miles, included wherein is trackage, aggregating 124.69

miles, parts of which are owned respectively by other railroad companies, as follows: 5.42 miles by New York, Ontario and Western Railway Company, 2.31 miles by The Northern Central Railway Company, 49.93 miles by Buffalo, Rochester and Pittsburgh Railway Company, 19.99 miles by Chicago and Western Indiana Railroad Company, 3.00 miles by Central New England Railway Company, 1.00 mile by The Cleveland, Cincinnati, Chicago and St. Louis Railway Company, 24.34 miles by The Delaware and Hudson Company, 1.34 miles by The Lake Erie, Alliance and Wheeling Railroad Company, 1.42 miles by Ridgway and Clearfield Railroad Company, 0.37 mile by The Delaware, Lackawanna and Western Railroad Company, 2.83 miles by The Buffalo Creek Railroad Company, 1.40 miles by Middletown and Unionville Railroad Company, and 11.34 miles by The Central Railroad Company of New Jersey, and all of which trackage is operated by the Erie, or by Chicago and Erie Railroad Company under the terms of certain operating contracts now in force. The Erie owns or controls more than a majority of the capital stock of each of the following railroad companies which operate respectively first main track mileage as stated below: (*a*) New York, Susquehanna and Western Railroad Company, 133.55 miles; (*b*) The Wilkes-Barre and Eastern Railroad Company, 86.09 miles, included wherein is trackage aggregating 3.10 miles owned by The Central Railroad Company of New Jersey; (*c*) The New Jersey and New York Railroad Company, 35.83 miles; (*d*) Bath and Hammondsport Railroad Company, 9.20 miles. The Erie also operates under trackage rights over 14.60 miles owned by New York, Susquehanna and Western Railroad Company and 1.29 miles owned by The Wilkes-Barre and Eastern Railroad Company; New York, Susquehanna and Western Railroad Company also operates under trackage rights over 2.42 miles owned by the Erie; The Wilkes-Barre and Eastern Railroad Company also operates under trackage rights over 0.95 mile owned by the Erie; and The New Jer-

sey and New York Railroad Company also operates under trackage rights over 9.89 miles owned by the Erie. The principal termini of the operated lines of the Erie system are New York, Chicago, Dayton, Ohio, Cleveland and Buffalo. The principal termini of the owned lines of the Erie and Chicago and Erie Railroad Company are the same, with the substitution of Hammond, Ind., for Chicago, and of Salamanca, N. Y., for Dayton and Cleveland. The operated mileage and termini of the lines of the several companies comprising said system are as shown on Exhibit No. 68, filed herewith. Neither The Canal Belt Railroad Company, Delaware Valley and Kingston Railway Company nor The Pavonia Ferry Company owns or operates any line of railway or ferry.

The total operated first main track mileage of the Pere Marquette system in the United States, all of which is operated by the Pere Marquette, as aforesaid, is 1898.30 miles, included wherein are lines controlled, aggregating 20.79 miles as follows: McGrew to Atwood, 8.24 miles, 18th Street, Detroit, to Fort Street Union Depot, 1.23 miles, and Huron and Western Railroad, 11.32 miles, and including also trackage, aggregating 88.40 miles, parts of which are owned respectively by one or more other railroad companies, as follows: 10.94 miles by The Baltimore and Ohio Chicago Terminal Railroad Company, 12.23 miles by The Baltimore and Ohio Railroad Company, 6.27 miles by The Chicago, Rock Island and Pacific Railway Company, 0.85 mile by Detroit & Mackinac Railroad Company, 8.78 miles by The Pennsylvania Railroad Company, 0.64 mile by The Grand Trunk Western Railway Company, 7.69 miles by The Michigan Central Railroad Company, 26.60 miles by The New York Central Railroad Company, and 14.40 miles by Wabash Railway Company, and all of which trackage is operated by the Pere Marquette under the terms of certain operating contracts now in force. The principal termini of the operated lines of the Pere Marquette system are Chicago, Bay City, Mich., Toledo, Suspension Bridge, Ont., and Bridgeburg, Ont. The principal termini of the owned lines of the Pere Marquette are the same, with the substitution of Porter, Ind., for Chicago and of St. Thomas, Ont., for Suspension Bridge and Bridgeburg. The operated mileage and termini of the lines of the several companies comprising said system and of The Lake Erie & Detroit River Railway, including trackage rights in the Dominion of Canada, are as shown on Exhibit No. 69, filed herewith.

The New Company does not now own, control or operate a line of railroad. Its proposed new line will connect with the existing railroad of the Hocking at or near Valley Crossing and with the existing railroad of the Chesapeake at or near Gregg, Ohio. Upon the consummation of the plan set forth in said Proposal the New Company will control, as lessee or otherwise, the lines of railroad now owned or controlled by the Lessor Companies, the present points of interchange between which are as shown on Exhibit No. 71, filed herewith and hereby made part hereof.

(*j*) The lines of the Nickel Plate, the Erie and the Pere Marquette between Buffalo and Chicago are parallel but at such considerable distances from each other that, for the most part, each line serves totally different territory. They have not been held to be competing lines by the decision of any tribunal. But the Nickel Plate with its eastern connections, the Erie, and the Pere Marquette with its eastern connections are competitors for traffic between Chicago and the Middle West, on the one hand, and New York, on the other. This competition, however, is at present inconsiderable, compared with the competition of The New York Central Railroad Company, The Pennsylvania Railroad Company and The Baltimore & Ohio Railroad Company for such traffic.

The New Company neither owns, controls nor operates any line of railroad, and its projected line will not

parallel or compete with any line of the system of any Lessor Company.

(*k*) (1) The consideration agreed upon for the acquisition by the New Company of stocks of the Chesapeake, the Hocking, the Erie and the Pere Marquette is stocks of the New Company to be issued at par by it directly to stockholders of those Lessor Companies in exchange for the stocks of such companies now held by them, and upon the bases set forth on page 2 of said Proposal.

(2) The market values of the several classes of stock of the Lessor Companies to be purchased by the New Company are as follows:

Company	Class of Stock	Market Value*
The Chesapeake	First Preferred	91⅔†
" "	Second "	92⅝†
" "	6½ Cumulative Preferred	107½
" "	Common	94
The Hocking	Common	95
The Erie	First Preferred	41
" "	Second "	39⅝
" "	Common	32
Pere Marquette	Prior Preference	81⅞
" "	Preferred	73
" "	Common	69

Exhibits

The exhibits hereinafter described are made a part hereof either by filing herewith or by reference to prior filings in the Bureau of Finance of the Commission, in connection with other applications, as provided in the rules of the Commission; and the applicants will file copies of such other documents as may be desired by the Commission.

* Price of last sale on New York Stock Exchange prior to close of business on February 18, 1925.

† Value estimated from market values of General Mortgage Bonds and of common stock into which this preferred stock is convertible. No recent sales.

Exhibit No. 1. Certified copies of the agreement and articles of consolidation creating the Nickel Plate and of its by-laws, with all amendments, heretofore filed in Finance Dockets Nos. 2919, 3454 and 3582.

Exhibit No. 2. Certified copies of the charter and by-laws of the Chesapeake, with all amendments, heretofore filed in Finance Docket No. 4231.

Exhibit No. 3. Certified copies of the charter and by-laws of the Hocking, with all amendments, heretofore filed in Finance Dockets Nos. 1174 and 3145.

Exhibit No. 4. Certified copies of the charter and by-laws of the Erie, with all amendments, heretofore filed in Finance Docket No. 33, except as filed herewith.

Exhibit No. 5. Certified copies of the charter and by-laws of the Pere Marquette, with all amendments, heretofore filed in Finance Docket No. 1397.

Exhibit No. 6. Certified copy of the articles of incorporation of the New Company.

Note.—No regulations or by-laws have been adopted by the New Company.

Exhibits Nos. 7 to 12. Attested copies of resolutions of the directors of each of the Lessor Companies and of the incorporators of the New Company. approving the proposed acquisition of control and the making of application to the Commission for its approval and authorization of such acquisition of control, and authorizing the verification and filing of this application by the executive officer or incorporator filing the same.

Exhibits Nos. 13 to 17. Attested copies of resolutions of the stockholders of each of the Lessor Companies, approving the proposed acquisition of control. (These exhibits will be filed after the stockholders of the several companies have acted.)

Exhibit No. 18, Key map.

Exhibits Nos. 19 to 23. Copies of proposed leases.

Exhibits Nos. 24 to 29. Opinions of counsel.

Exhibits Nos. 30 to 63. Copies of corporate income account for the five preceding calendar years, or for the years of operation, if less than five, and for the months of the current year for which the figures are available, latest profit and loss account and general balance sheet of each of the Lessor Companies and of each of the independently accounting companies of the Erie system, and general balance sheet of the New Company.

Exhibit No. 64. Copy of Proposal by O. P. and M. J. Van Sweringen, with Deposit Agreement annexed.

Exhibits Nos. 65 to 69. Tables showing composition of systems of Lessor Companies, giving names of companies, states of incorporation, termini and mileage of lines and manner of control and operation.

Exhibit No. 70. Table showing interlocking officers, directors, *etc.,* of Lessor Companies.

Exhibit No. 71. Table showing points of interchange between systems of Lessor Companies.

Exhibit No. 72. Table showing comparative amounts of stock of Lessor Companies and New Company.

Application Under Section 20*a*.

(*a*) The exact corporate name of the New Company, applicant herein, is *The New York, Chicago and St. Louis Railway Company.*

(*b*) The New Company has no officers. The names of its incorporators, who are, also, the subscribers to its capital stock, are J. J. Bernet, O. P. Van Sweringen, M. J. Van Sweringen, J. R. Nutt, C. L. Bradley, W. A. Colston and B. L. Jenks. The post-office address of each of them is Cleveland, Ohio. The names and post-office addresses of counsel for the New Company are: W. A. Colston, Cleveland, Ohio; John H. Agate, Cleveland, Ohio, and White & Case, 14 Wall Street, New York City, New York. This application is signed, verified and filed on behalf of the New Company by the above-named W. A. Colston, one of its incorporators.

(*c*) The New Company was created under the laws of the State of Ohio and is authorized thereby and by its articles of incorporation to do business in and among the states, territories and possessions of the United States, the District of Columbia, and the Dominion of Canada and other foreign countries. It was incorporated with an authorized capital stock of $100,000, divided into 1,000 shares of the par value of $100 each and consisting of 500 shares of cumulative preferred stock and 500 shares of common stock, all of which has been duly subscribed for pursuant to law. No stock has been issued. Pursuant to Section 8698 of the Ohio General Code, which provides for increasing capital stock prior to organization, the subscribers to the New Company's capital stock have duly authorized its incorporators to file with the Secretary of State of the State of Ohio a certificate heretofore executed by such subscribers (a copy of which is annexed to the copy of its Articles of Incorporation, filed herewith as Exhibit No. 6, and hereby made part hereof) providing for an increase of the New Company's capital stock to $345,000,000, divided into 3,450,000 shares of the par value of $100 each and consisting of 1,550,500 shares of 6% cumulative preferred stock, Series "A", and 1,899,500 shares of common stock. Such certificate will be so filed, and the authorized capital stock of the New Company thereby increased as above stated, upon the authorization by this Commission of the acqui-

sition of control of the systems of the Lessor Companies in the manner set forth in the foregoing joint application.

(*d*) The New Company now operates no line of railroad. It proposes to operate in the states of Ohio, New York, New Jersey, Pennsylvania, Indiana, Illinois, Michigan, Wisconsin, Missouri, Kentucky, West Virginia and Virginia, the District of Columbia and the Dominion of Canada.

(*e*) This application is made under section 20*a* of the interstate commerce act, as amended, for authority:

(1) To issue 500 shares of 6% cumulative preferred stock, Series "A", (hereinafter called "preferred stock") and 500 shares of common stock at par for cash, the proceeds to be used for organization expenses and other proper corporate purposes;

(2) To issue 258,656.66 shares of preferred stock and 304,064.64 shares of common stock to the Nickel Plate upon the execution and delivery of the proposed lease of certain of its properties, and as provided in Section 1 of Article Two thereof;

(3) To issue 1,291,165.9264 shares of preferred stock, or any part thereof, from time to time, and 1,593,165.9764 shares of common stock, or any part thereof, from time to time, in exchange for all of the issued capital stock of the Chesapeake, the Hocking, the Erie and the Pere Marquette (except the stock of the Hocking owned by the Chesapeake) and outstanding convertible bonds of the Chesapeake and the Erie, all as provided in Section 1 of Article Two of the proposed leases of the properties of the four companies named, and as set forth in said Proposal, and particularly in Statement A thereto attached;

(4) To hold in its treasury, sell at the best price obtainable or otherwise dispose of, from time to time, as fully paid treasury stock, subject to existing trusts, if any, such part of the stock mentioned in the immediately preceding clause (3) as shall be issued, as aforesaid, in exchange for stocks of the Chesapeake and of the Hocking now held in their respective treasuries, and all stock of the New Company which may be acquired by it upon or after issue;

(5) To nominally issue the remainder of its authorized capital stock, *viz.:* 177.4136 shares of preferred stock and 1769.3836 shares of common stock, and to sell the same or any part thereof, together with any or all shares of its capital stock reserved for issue in exchange for stocks or bonds of the Lessor Companies and which shall not have been issued in exchange therefor within the times limited by said Proposal and the proposed leases for such exchanges, respectively, from time to time at not less than par, and to use the proceeds from any such sales for its corporate purposes;

(6) In cases where outstanding shares of stock of any of the Lessor Companies have been, or may be, purchased by any of them or by the New Company from dissenting stockholders or others pursuant to the requirements of the laws of any state or the provisions of the proposed leases, or in furtherance of the proposed unification, and such stock is resold, to exchange its own stock for the stock so purchased and resold as provided in clause (3) of this paragraph [such exchange being embraced within the authority requested with respect to 1,291,165.9264 shares of preferred stock and 1,593,165.9764 shares of common stock mentioned in said clause (3) of

this paragraph and it being the intention of this provision to preserve the exchangeability of this stock]; and

(7) To issue certificates of ownership for fractions of shares of stock for any of the foregoing purposes to any person or persons, natural or artificial, who may be or become entitled thereto.

The purposes and uses of the proposed issue and the proceeds thereof are as above stated and the furtherance and accomplishment of the plan set forth in said Proposal.

(*f*) The facts relied upon by the New Company to show that the proposed issue (1) is for lawful objects within its corporate purposes, and compatible with the public interest, which are necessary and appropriate for and consistent with the proper performance by the New Company of service to the public as a common carrier, and which will not impair its ability to perform that service, and (2) is reasonably necessary and appropriate for such purposes, are hereinbefore fully set out in connection with the application for authority to acquire control of the systems of the Lessor Companies.

(*g*) Said shares of stock are proposed to be issued for the considerations, uses and purposes stated in paragraph (*e*) above.

(*h*) Said stock is to be issued directly by the New Company for the purposes above stated and will not be underwritten. No contracts or other arrangements have been made or are proposed to be made in connection with the issue thereof, other than the Deposit Agreement annexed to said Proposal.

Exhibits

The exhibits hereinafter described are made a part hereof, either by filing herewith or by reference to prior filings in the Bureau of Finance of the Commission in connection with other applications, as provided in the rules of the Commission; and the applicant will file copies of such other documents as may be desired by the Commission.

Exhibit No. 6. Certified copy of the articles of incorporation of the New Company.

Note.—No regulations or by-laws have been adopted by the New Company.

Exhibit No. 12. Attested copy of resolutions of incorporators authorizing the issue in respect of which the application is made and designating by name and for that purpose the incorporator by whom the application is signed, verified and filed.

Exhibit No. 29. Opinion of counsel.

Exhibits Nos. 73 and 74. Map and profile of the line to be constructed by the New Company, heretofore filed with return to questionnaire in Finance Docket No. 4643 as Exhibits Nos. 1 and 2.

Exhibits Nos. 75 to 78. Forms of all securities in respect to which the application is made.

Exhibit No. 63. General balance sheet.

Exhibits Nos. 19 to 23 and 64. Copies of proposed leases and of Proposal by O. P. and M. J. Van Sweringen, which state complete details of the purposes of the proposed issue except as otherwise stated in paragraph (*e*) of this application.

Prayer.

WHEREFORE, the applicants jointly pray that the Interstate Commerce Commission issue an order, under paragraph (2) of section 5 of the interstate commerce act, authorizing the New Company to acquire control of the systems of the respective Lessor Companies under the several proposed leases and/or by the purchase of at least

a majority of the capital stock of the Chesapeake, the Hocking, the Erie and the Pere Marquette, in the manner, for the considerations and upon the terms and conditions hereinbefore set forth, and for such further or other order, certificate or authority in the premises, under any other provision or provisions of said act or of any other law, as the Commission may deem necessary or proper; and the New Company further prays that the Interstate Commerce Commission make an order, under section 20*a* of said act, authorizing the issue of its entire authorized capital stock for the considerations, uses and purposes above stated.

Respectfully submitted.

Dated February 19, 1925.

THE NEW YORK, CHICAGO AND ST. LOUIS RAILROAD COMPANY
By J. J. BERNET,
President.

THE CHESAPEAKE AND OHIO RAILWAY COMPANY
By W. J. HARAHAN,
President.

THE HOCKING VALLEY RAILWAY COMPANY
By W. J. HARAHAN,
President.

ERIE RAILROAD COMPANY
By F. D. UNDERWOOD,
President.

PERE MARQUETTE RAILWAY COMPANY
By FRANK H. ALFRED,
President.

THE NEW YORK, CHICAGO AND ST. LOUIS RAILWAY COMPANY
By W. A. COLSTON,
An Incorporator.

E. E. GANN,
Union Trust Building,
Washington, D. C.

C. C. COLLISTER,
Columbia Building,
Cleveland, Ohio.

Attorneys for The New York, Chicago and St. Louis Railroad Company.

HERBERT FITZPATRICK,
GEO. H. GARDNER,
First National Bank Building,
Richmond, Va.

Attorneys for The Chesapeake and Ohio Railway Company and The Hocking Valley Railway Company.

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50 Church Street,
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Attorneys for Erie Railroad Company

HENRY V. POOR,
80 Broadway,
New York, N. Y.

S. L. MERRIAM,
Fort Street
Union Depot,
Detroit, Mich.

Attorneys for Pere Marquette Railway Company

W. A. COLSTON,
JOHN H. AGATE,
Columbia Building,
Cleveland, Ohio.

WHITE & CASE,
14 Wall Street,
New York, N. Y.

Attorneys for The New York, Chicago and St. Louis Railway Company

STATE OF OHIO, County of Cuyahoga } ss.:

J. J. BERNET, being duly sworn, deposes and says that he is President of The New York, Chicago and St. Louis Railroad Company, one of the applicants herein; that he has been duly designated and authorized by the board of directors of said applicant to verify and file the foregoing application; that he has read such application and the exhibits attached thereto; that he has knowledge of the matters therein set forth and that the statements therein contained are true and correct to the best of his knowledge and belief.

J. J. BERNET

Subscribed and sworn to before me this 19th day of February, 1925.

ELMER J. HALBERG,
Notary Public.

[SEAL]

My commission expires December 12, 1925.

STATE OF NEW YORK, County of New York } ss.:

W. J. HARAHAN, being duly sworn, deposes and says that he is President of The Chesapeake and Ohio Railway Company, one of the applicants herein; that he has been duly designated and authorized by the board of directors of said applicant to verify and file the foregoing application; that he has read such application and the exhibits attached thereto; that he has knowledge of the matters therein set forth and that the statements therein contained are true and correct to the best of his knowledge and belief.

W. J. HARAHAN

Subscribed and sworn to before me this 20th day of February, 1925.

JAMES MCCARRON
[SEAL] Notary Public,
Kings Co. No. 62
Certificate filed New York Co., No. 144
Register's Nos. Kings, 6057, N. Y. 6126
Commission expires March 30, 1926.

STATE OF NEW YORK,
County of New York } ss.:

W. J. HARAHAN, being duly sworn, deposes and says that he is President of The Hocking Valley Railway Company, one of the applicants herein; that he has been duly designated and authorized by the board of directors of said applicant to verify and file the foregoing application; that he has read such application and the exhibits attached thereto; that he has knowledge of the matters therein set forth and that the statements therein contained are true and correct to the best of his knowledge and belief.

W. J. HARAHAN

Subscribed and sworn to before me this 20th day of February, 1925.

JAMES MCCARRON

[SEAL] Notary Public,
Kings Co. No. 62

Certificate filed New York Co., No. 144
Register's Nos. Kings, 6057, N. Y. 6126
Commission expires March 30, 1926.

STATE OF NEW YORK,
County of New York } ss.:

F. D. UNDERWOOD, being duly sworn, deposes and says that he is President of Erie Railroad Company, one of the applicants herein; that he has been duly designated and authorized by the board of directors of said applicant to verify and file the foregoing application; that he has read such application and the exhibits attached thereto; that he has knowledge of the matters therein set forth and that the statements therein contained are true and correct to the best of his knowledge and belief.

F. D. UNDERWOOD

Subscribed and sworn to before me this 20th day of February, 1925.

JAMES MCCARRON

[SEAL] Notary Public,
Kings Co. No. 62

Certificate filed New York Co., No. 144
Register's Nos. Kings, 6057, N. Y. 6126
Commission expires March 30, 1926.

STATE OF NEW YORK,
County of New York } ss:

FRANK H. ALFRED, being duly sworn, deposes and says that he is President of Pere Marquette Railway Company, one of the applicants herein; that he has been duly designated and authorized by the board of directors of said applicant to verify and file the foregoing application; that he has read such application and the exhibits attached thereto; that he has knowledge of the matters therein set forth and that the statements therein contained are true and correct to the best of his knowledge and belief.

FRANK H. ALFRED

Subscribed and sworn to before me this 20th day of February, 1925.

JAMES MCCARRON

[SEAL] Notary Public,
Kings Co. No. 62
Certificate filed New York Co., No. 144
Register's Nos. Kings, 6057, N. Y. 6126
Commission expires March 30, 1926.

STATE OF NEW YORK,
County of New York } ss.:

W. A. COLSTON, being duly sworn, deposes and says that he is one of the incorporators of The New York, Chicago and St. Louis Railway Company, one of the applicants herein; that he has been duly designated and authorized by the incorporators of said applicant to verify and file the foregoing application; that he has read such application and the exhibits attached thereto; that he has knowledge of the matters therein set forth and that the statements therein contained are true and correct to the best of his knowledge and belief.

W. A. COLSTON

Subscribed and sworn to before me this 20th day of February, 1925.

JAMES MCCARRON

[SEAL] Notary Public,
Kings Co. No. 62
Certificate filed New York Co., No. 144
Register's Nos. Kings, 6057, N. Y. 6126
Commission expires March 30, 1926.

Exhibit No. 4.

CERTIFICATE OF INCREASE OF CAPITAL STOCK

OF

ERIE RAILROAD COMPANY

BY ACTION OF ITS DIRECTORS

PURSUANT TO SECTION SIXTEEN

OF THE STOCK CORPORATION LAW.

We, the undersigned, being respectively the President and Secretary of Erie Railroad Company, for the purpose of increasing its capital stock by action of its directors, pursuant to Section 16 of the Stock Corporation Law, hereby do subscribe, acknowledge and verify this certificate, setting forth as follows:

(*a*) The name of the Corporation is
Erie Railroad Company.
This name has never been changed.

(*b*) The date of filing of the certificate of incorporation in the office of the Secretary of State is the 14th day of November, 1895.

(*c*) A copy of the resolution of the directors authorizing the conversion is hereto annexed and marked Exhibit A, and made a part hereof.

(*d*) The holders of not less than two-thirds of the outstanding shares of the Corporation entitled to vote thereon duly consented to the conversion.

(*e*) A copy of the resolution of the directors authorizing the increase of the capital stock necessary for such conversion is hereto annexed and marked Exhibit B, and made a part hereof.

(*f*) The number and kinds of shares previously authorized and the number of each kind actually issued is as follows:

Kind	Previously Authorized	Actually Issued
First Preferred 4% Non Cum..... (Par Value $100. each)	480,000 shares	479,044 shares
2nd Preferred 4% Non Cum..... (Par Value $100. each)	160.000 shares	160,000 shares
Common (Par Value $100. each).....	1,530,000 shares	1,124,819 shares

The total number of shares which the Corporation is henceforth to have is
2,530,000 shares.

None of such shares are to be without par value. The number and par value of such shares as are to have a par value is as follows:

480,000 shares First Preferred 4% Non-Cumulative Stock with a par value of $100. per share.

160,000 shares Second Preferred 4% Non-Cumulative Stock with a par value of $100. per share.

1,890,000 shares Common Stock with a par value of $100. per share.

IN WITNESS WHEREOF, the Erie Railroad Company has caused its corporate seal to be hereunto affixed, and the said F. D. Underwood, as President, and Geo. H. Minor as Secretary have signed verified and acknowledged this certificate in triplicate, this 17th day of December, 1924.

(LS)

ERIE RAILROAD COMPANY
By F. D. UNDERWOOD
President.

Attest:
GEO. H. MINOR
Secretary.

F. D. UNDERWOOD
President

GEO. H. MINOR
Secretary

STATE OF NEW YORK }
City and County of New York } ss:

On this 17th day of December, 1924, before me the subscriber personally appeared, F. D. Underwood, to me known, who, being by me duly sworn, did depose and say that he resided in the City of New York in the State of New York, and is the President of the Erie Railroad Company, the corporation described in and which executed the foregoing certificate; that he knows the seal of said corporation, that the seal affixed to said instrument is such corporate seal and that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

(LS) A. L. TRAVIS
Notary Public Kings County No. 191
Certificate Filed in New York County No. 113
My Commission Expires March 30, 1925
N. Y. County Register's Office No. 5117
Kings County Register's Office No. 3084

STATE OF NEW YORK }
County of New York } ss.:

F. D. UNDERWOOD, President, and GEO. H. MINOR, Secretary, respectively, of the ERIE RAILROAD COMPANY, being duly and severally sworn, do depose and say, and each for himself, does depose and say, that he has read the foregoing certificate subscribed by him and knows its contents, and that the same is true.

F. D. UNDERWOOD
President.
GEO. H. MINOR
Secretary.

Subscribed and sworn to before me this 17th day of December, 1924.

(LS) A. L. TRAVIS
Notary Public Kings County No. 191
Certificate Filed in New York County No. 115
My Commission Expires March 30, 1925
N. Y. County Register's Office No. 5117
Kings County Register's Office No. 5064

STATE OF NEW YORK } ss.:
County of New York }

On this 17th day of December, 1924, before me personally came F. D. UNDERWOOD, President, and GEO. H. MINOR, Secretary, of the Erie Railroad Company, to me personally known, and known to me to be respectively the persons described in and who made, signed and verified the foregoing certificate, and they severally duly acknowledged to me that they had made, signed and verified the same for the uses and purposes therein set forth.

(LS) A. L. TRAVIS
Notary Public Kings County No. 191
Certificate Filed in New York County No. 113
My Commission Expires March 30, 1925
N. Y. County Register's Office No. 5117
Kings County Register's Office No. 3064

EXHIBIT "A"

Upon motion, duly seconded, and by the affirmative vote of all present, the following preambles and resolutions were adopted:—

WHEREAS, Heretofore and under date of April 1, 1903 this Company executed its General Mortgage to the Standard Trust Company of New York, Trustee, as security for an issue of bonds as therein provided, and

WHEREAS, In and by Section 3 of Article One of said mortgage it was provided that Forty Million Dollars ($40,000,000.00) of the bonds to be used under and to be secured by said mortgage should be reserved to be executed by the Railroad Company and to be certified and delivered by the Trustee from time to time after December 31, 1903, for one or more of the purposes specified in said Section, and in amounts which should not in the aggregate exceed Ten Million Dollars ($10,000,000.00) par value in any calendar year, and

WHEREAS, The Standard Trust Company of New York, Trustee under said mortgage has heretofore certified and delivered to this Company Twenty-two Million Dollars ($22,000,000.00) of said Reserved Bonds, to wit.: Twelve Million Dollars ($12,000,000.00) which were to be designated as Series B, and were certified and delivered in lots of Two Million Dollars ($2,000,000.00) in the year 1905, and Ten Million Dollars ($10,000,000.00) in the year 1906, and Ten Million Dollars ($10,000,000.00) which were designated as Series C, and were certified and delivered in the year 1912, all in accordance with the provisions of Section 3 of Article One of said mortgage and pursuant to resolutions heretofore adopted by the Board of Directors of this Company, and

WHEREAS, Said bonds were set aside separate and apart from all other assets and funds of the Company, and were used only to reimburse the Company for outlays made subsequent to December 31, 1903 for one or more of the purposes mentioned in said Section 3 of Article One of said mortgage, and the Railroad Company has heretofore accounted to the Trustee for all of said bonds, or the proceeds thereof, as provided in said mortgage, in accordance with the provisions in said mortgage with reference thereto, and

WHEREAS, This Company is entitled to receive from said Trustee for the calendar year 1915, such an amount of the remaining Eighteen Million Dollars ($18,000,000.00) of Reserved Bonds as shall not in the aggregate exceed Ten Million Dollars ($10,000,000.00) par value, and upon accounting to the Trustee for such bonds, or the proceeds thereof, as provided in said mortgage, this Company will be entitled to receive from said Trustee for the calendar year 1916, such an amount of said Reserved Bonds then remaining as shall not in the aggregate exceed Ten Million Dollars ($10,000,000.00) par value, and

WHEREAS, The Guaranty Trust Company of New York is the successor of the Standard Trust Company of New York as Trustee under said mortgage—
NOW, THEREFORE, BE IT

RESOLVED, That this Company execute and issue the Eighteen Million Dollars ($18,000,000.00) remaining unissued of the said Forty Million Dollars ($40,000,000.00) of Reserved Bonds, secured by said General Mortgage dated April 1, 1903, and reserved for issue from time to time in accordance with the provisions of Section 3 of Article One of said mortgage, and further,

RESOLVED, That said Eighteen Million Dollars ($18,000,000.00) of bonds shall be designated as Series D, and shall be dated October 1, 1915, and shall be convertible at par into the common stock of this Company at the rate of Fifty Dollars ($50.00) per share, that being the price or rate of conversion hereby fixed and determined as the price or rate of conversion of the bonds of said Series D, which conversion may be made at any time after April 1, 1918, and before October 1, 1927, upon the terms and conditions as provided in said mortgage, and further

RESOLVED, That this Company execute and issue, and that the Guaranty Trust Company of New York, successor to the Standard Trust Company of New York, Trustee under said General Mortgage dated April 1, 1903 be requested to certify and deliver to this Company ten Million Dollars ($10,000,000.00) of said Series D Convertible Bonds to be issued under said General Mortgage pursuant to these resolutions in the calendar year 1915, and Eight Million Dollars ($8,000,000.00) of said Series D Convertible Bonds to be issued under said General Mortgage pursuant to these resolutions, in the calendar year 1916, and further

RESOLVED, That the officers of the Company be, and they hereby are directed to set aside said bonds, or the proceeds thereof, as the same shall be received from time to time, separate and apart from

any other assets and funds of this Company, and to use the same only for one or more of the purposes mentioned in and authorized by said Section 3 of Article One of said mortgage, or to reimburse this Company for funds expended by it, or by any of the other companies enumerated in subdivision "A" of said Section 3 subsequent to December 31, 1903, for one or more of such purposes as therein provided, and further

RESOLVED, That the President and other proper officers of this Company be, and they hereby are authorized and directed to execute and issue said bonds in accordance with the terms of said General Mortgage and of this resolution, and to execute such request, and take such action and proceedings, including the making of such application to the Public Service Commission as may be necessary or proper in connection with the issuing of the bonds as provided in this resolution, or for carrying out the intent of this resolution.

I HEREBY CERTIFY that the foregoing is a true copy of an extract from the minutes of a meeting of the Board of Directors of Erie Railroad Company, duly called and held on December 27th, 1915, at which meeting a quorum was present and the foregoing resolution was duly adopted.

(SEAL)

GEO. A. W. ACHENBACH
Asst. Secretary.

Upon motion, duly seconded, and by the affirmative vote of all present, the following preambles and resolutions were adopted:

WHEREAS, This Company heretofore executed in temporary form and the Trustee under the General Mortgage dated April 1, 1903, certified and delivered $10,000,000.00 par value of Series C four per cent. Convertible bonds secured by said mortgage, which said bonds were by their terms convertible at par into common stock prior to April 1, 1915 at the rate of $66⅔ per share, and

WHEREAS, None of said bonds have been sold but said bonds are owned by this Company, and are pledged as collateral under an indenture dated April 1, 1914, securing an issue of $10,000,000.00 of 5% gold notes which will become due on April 1, 1916, and

WHEREAS, It is desired to modify said bonds so as to render the same more marketable, NOW, THEREFORE, BE IT

RESOLVED, That subject to the approval of the stockholders and the consent of the Public authorities having jurisdiction said Series C bonds be modified so that the same shall in terms conform to the Series D bonds authorized at this meeting, that is to say, so that said Series "C" bonds shall be designated as Series D bonds, shall bear date October 1, 1915, and shall be convertible at par into common stock of this Company at the rate of $50.00 per share, that being the price or rate of conversion hereby fixed and determined as the price or rate of conversion of said bonds, which conversion may be made at any time after April 1, 1918 and before October 1, 1927 upon the terms and conditions provided in said mortgage, and further

RESOLVED, That the President and other proper officers of the Company be, and they hereby are authorized and directed to take such proceedings and to execute such writings as may be necessary or proper in connection with the changing and issuing of said bonds as aforesaid and the carrying out of the intent of these resolutions.

I HEREBY CERTIFY that the foregoing is a true copy of an extract from the minutes of a meeting of the Board of Directors of Erie Railroad Company, duly called and held on December 27th, 1915, at which meeting a quorum was present and the foregoing resolution was duly adopted.

GEO. A. W. ACHENBACH (SEAL)
Asst. Secretary.

Upon motion, duly seconded, and by the affirmative vote of all present, the following preambles and resolutions were adopted:—

WHEREAS, By resolutions this day adopted by the Board of Directors of Erie Railroad Company, it has been resolved to issue Series D Convertible bonds secured by its General Mortgage dated April 1, 1903, which said bonds shall be dated October 1, 1915, and be convertible at par into common capital stock of the Company after April 1, 1918, and before October 1, 1927, and also to modify the Series C Convertible bonds heretofore certified and delivered by the Trustee under said General Mortgage so that the same shall in terms conform to the said Series D bonds and shall bear a like designation, and

WHEREAS, in connection therewith it is deemed necessary and desirable to change or modify said General Mortgage, NOW, THEREFORE, BE IT

RESOLVED, That the President and other proper officers of the Company be and they hereby are authorized and directed to take such proceedings and to execute such amendments to said General Mortgage dated April 1, 1903, and such other writings as may be necessary or proper in connection with the aforesaid modification of said Series C bonds and the issuing of said Series C and D bonds,—all as Series D bonds—which shall be dated and convertible as provided in resolutions this day adopted, and so as to permit the issuing of bonds under said mortgage, either coupon bonds or registered bonds without coupons or both, of the denominations of $100 and $500 in addition to the denominations heretofore authorized under said mortgage.

I HEREBY CERTIFY that the foregoing is a true copy of an extract from the minutes of a meeting of the Board of Directors of Erie
(SEAL) Railroad Company, duly called and held on December 27th, 1915, at which meeting a quorum was present and the foregoing resolution was duly adopted.

GEO. A. W. ACHENBACH
Assistant Secretary.

EXHIBIT "B"

Upon motion, duly seconded, and by the affirmative vote of all present, the following preambles and resolutions were adopted:

WHEREAS, Heretofore and during the year 1912 this Company resolved to increase its authorized common capital stock by $15,000,000. for the purpose of providing for the conversion at par into Common Capital Stock at $66⅔ per share of the $10,000,000. of four per cent. Convertible Series C bonds which were executed in that year under its General Mortgage dated April 1, 1903, which said bonds were by their terms convertible at the option of the holders thereof until April 1, 1915, and

WHEREAS, No demand was ever made for the conversion of any of said Series C bonds into common stock and the period within which said bonds by their terms might be converted expired on April 1, 1915, and the certificate increasing the common capital stock of the Company for the purpose of providing for the conversion of said bonds was never filed and the authorized common capital stock of the Company was never actually increased, and

WHEREAS, Heretofore and during the years 1903 and 1905, this Company resolved to increase its authorized common capital stock by $20,000,000 for the purpose of providing for the conversion at par into common capital stock at $50. per share of $10,000,000. of four per cent. Convertible Series A bonds which were issued during the year 1903 under its General Mortgage dated April 1, 1903, which said bonds were by their terms convertible at the option of the holders thereof until April 1, 1915, and

WHEREAS, By certificate filed in the office of the Secretary of State on or about April 6, 1905, the authorized common capital stock of the Company was so increased, and

WHEREAS, No demand was ever made for the conversion of any of said Series A bonds into common stock and the period within which said bonds by their terms might be convertible expired on April 1, 1915, and

WHEREAS, By resolutions this day adopted by the Board of Directors of the Erie Railroad Company it has been resolved that said Series C bonds, all of which are owned by the Company, be modified so that said bonds shall be designated as Series D bonds, shall be dated October 1, 1915, and shall be convertible at par into common capital stock of this Company at the rate of $50. per share at any time after April 1, 1918, and before October 1, 1927, NOW, THEREFORE, BE IT

RESOLVED, That the said $20,000,000. of authorized common capital stock of the Company which was originally appropriated and set aside for the conversion of said Series A bonds and was not used and is no longer needed for that purpose be, and the same hereby is set aside and appropriated and shall be used only for the purpose of converting the said modified Series C four per cent. Convertible bonds secured by said General Mortgage dated April 1, 1903, which at the option of the holders thereof shall be presented for conversion into common capital stock as provided in the mortgage securing said bonds and as stated in said amended bonds, at any time after April 1, 1918, and before October 1, 1927, and further

RESOLVED, That the President and other proper officers of the Company be and they hereby are authorized and directed to issue such capital stock when and as required for the conversion of said amended bonds at the rate and time and under the conditions as provided in said bonds and the mortgage securing the same, and further

RESOLVED, That the President and other proper officers of the Company be and they hereby are authorized and directed to take such action and execute such papers as may be necessary or proper in connection with the arranging for authorized common capital stock of the Company in order to provide for the conversion of said Series C bonds as modified.

I HEREBY CERTIFY that the foregoing is a true copy of an extract from the minutes of a meeting of the Board of Directors of Erie
(SEAL) Railroad Company, duly called and held on December 27th, 1915, at which meeting a quorum was present and the foregoing resolution was duly adopted.

GEO. A. W. ACHENBACH
Asst. Secretary.

Upon motion, duly seconded, and by the affirmative vote of all present, the following preambles and resolutions were adopted:—

WHEREAS, By resolutions this day adopted by the Board of Directors of the Erie Railroad Company it has been resolved that this Company execute and issue the $18,000,000 remaining unissued of the said $40,000,000 of reserved bonds secured by its General Mortgage dated April 1, 1903, which said $18,000,000. of bonds are to be designated as Series D and to be dated October 1, 1915, and to be convertible at par into common stock at the rate of $50.00 per share after April 1, 1918, and prior to October 1, 1927, and

WHEREAS, The present authorized and unappropriated amount of the common capital stock of the Company is not sufficient to meet the conversion thereinto of the said $18,000,000 of Series D bonds as aforesaid, NOW, THEREFORE, BE IT

RESOLVED, That, in order to provide for the conversion of said $18,000,000 of Series D bonds from

time to time as therein provided, the authorized common capital stock of the Erie Railroad Company be increased from the present amount thereof, to wit.: $153,000,000 consisting of 1,530,000 shares each of the par value of $100.00 to $189,000,000 to consist of 1,890,000 shares each of the par value of $100.00, and further

RESOLVED, That each and every of the additional 360,000 shares of common capital stock (the increase authorized by this resolution) be and the same hereby is appropriated and devoted and shall be used only for the purpose of converting the said Series D four per cent. Convertible bonds secured by said General Mortgage dated April 1, 1903, which, at the option of the holders thereof, shall be presented for conversion into common capital stock as stated in said bonds, at any time after April 1, 1918, and before October 1, 1927, and further

RESOLVED, That the President and other proper officers of the Company be and they hereby are authorized and directed from time to time to issue such increased common stock when and as required for the conversion of said bonds at the rate and time and under the conditions provided in said bonds and the mortgage securing the same, and further

RESOLVED, That the President and other proper officers of the Company be and they hereby are authorized and directed to take such action and execute such papers for and in behalf of this Company and to take such proceedings as may be necessary or proper in connection with the aforesaid increase of the authorized common capital stock of the Company and the carrying out of the intent of these resolutions.

I HEREBY CERTIFY that the foregoing is a true copy of an extract from the minutes of a

(SEAL) meeting of the Board of Directors of Erie Railroad Company, duly called and held on December 27th, 1915, at which meeting a quorum was present and the foregoing resolution was duly adopted.

GEO. A. W. ACHENBACH
Assistant Secretary.

(ENDORSED)

CERTIFICATE
OF
INCREASE OF CAPITAL STOCK
OF
ERIE RAILROAD COMPANY

STATE OF NEW YORK
Office of SECRETARY OF STATE
Filed Dec. 23, 1924
Tax $18000-00/100
Filing Fee $20-00/100
JAMES A. HAMILTON
Secretary of State
By JOHN F. COX
Asst. Cashier.

STATE OF NEW YORK, Office of the Secretary of State. } ss: 200

I have compared the preceding with the original Certificate to Increase the Capital Stock of

ERIE RAILROAD COMPANY,

filed in this office on the 23rd day of December, 1924, and do HEREBY CERTIFY the same to be a correct transcript therefrom and of the whole thereof.

WITNESS my hand and the seal of office of the Secretary of State, at the City of Albany, this [SEAL] nineteenth day of February, one thousand nine hundred and twenty-five.

MARK STERN
Second Deputy Secretary of State

Exhibit No. 6.

ARTICLES OF INCORPORATION

OF

THE NEW YORK, CHICAGO AND ST. LOUIS RAILWAY COMPANY

WE, THE UNDERSIGNED, all of whom are citizens of the State of Ohio, desiring to form, under the general corporation laws of said State, a corporation for profit, do hereby certify:

ARTICLE FIRST. The name of the corporation shall be "The New York, Chicago and St. Louis Railway Company".

ARTICLE SECOND. The place where the corporation is to be located, and at which, until hereafter otherwise ordered, its principal or general office is to be established and maintained, is the City of Cleveland, Cuyahoga County, Ohio; and its principal business will be transacted in the State of Ohio, the other states, territories and possessions of the United States, the District of Columbia and the Dominion of Canada and other foreign countries.

ARTICLE THIRD. The corporation is formed for the following purpose:

To conduct a general transportation business, by land, by water and by air, in all its branches, and engage in intrastate, interstate and foreign commerce as a common carrier for hire; to build, construct, manufacture, produce, purchase, lease or otherwise acquire or contract for the use of, own, hold, exercise, control, manage, maintain, repair, alter, improve, better, enlarge, develop, extend and equip, and use and operate, by steam, electricity,

gas, gasoline or other motive power, directly or indirectly, a line of railroad from a point of connection with the railroad of The Hocking Valley Railway Company at or near Valley Crossing, in the County of Franklin, State of Ohio, as one terminus, to a point of connection with the railroad of The Chesapeake and Ohio Railway Company at or near Gregg, in the County of Pike, State of Ohio, as its other terminus, and passing through the following counties in the State of Ohio, namely, Franklin, Pickaway, Ross and Pike, a distance of approximately sixty-three (63) miles, also all or any of the lines of railroad, properties and assets, rights, privileges and franchises of The New York, Chicago and St. Louis Railroad Company, The Chesapeake and Ohio Railway Company, The Hocking Valley Railway Company, Erie Railroad Company and Pere Marquette Railway Company, subject to all or any of the funded and other debt, obligations, liabilities, duties and restrictions of said companies, respectively, also other lines of railroad, also other lines of transportation, by land, by water and by air, also branches, connections, cut-offs, spurs, sidings, switches, telegraph and telephone lines and instrumentalities and facilities, heat, light and power plants, lines and instrumentalities and facilities, terminals, terminal buildings, transfers between rail and water, docks, piers, wharves, grain elevators, hoists, aviation fields and landing places, both on land and on water, and other terminal and transfer facilities, stations, depots, freight houses, warehouses, roundhouses, hangars, machine and other shops, water stations, coaling stations, icehouses and icing plants, office buildings, restaurants, hotels and other instrumentalities, facilities, means and adjuncts of transportation, also locomotives, engines, motors, cars, coaches, rolling stock, derricks, pile drivers, service equipment and other railroad equipment, car floats, lighters, ferries, steam-

boats, vessels and other floating equipment, wagons, automobiles, tractors, trailers, trucks and other vehicles, aeroplanes, hydroplanes and other aircraft, coal, timber and other material and supplies, and all rights, privileges, franchises, rights of way, easements, real estate, plants, factories, shops, buildings, structures, appurtenances, machinery, tools, appliances, instrumentalities and facilities necessary, convenient, suitable or useful for or in such building, construction, manufacture, production, maintenance, repair, alteration, improvement, betterment, enlargement, development, extension, equipment, use and operation; and, in any and all cases where now or hereafter permitted by law, state or federal or of any foreign country, to acquire real estate by condemnation or appropriation and otherwise to exercise the power of eminent domain, to consolidate or merge with, or to sell or lease its properties, rights, privileges and franchises, or any of them, in whole or in part, to, any other corporation or corporations, to sell or otherwise dispose of any surplus materials, facilities, supplies, electricity, gas, heat, light and power owned, controlled, produced or generated by it, to permit others to use or operate, separately or jointly with it, any or all of said railroads, lines of transportation, telegraph and telephone lines and other properties, to purchase or otherwise acquire, own, hold and dispose of stocks, bonds and other evidences of interest in or indebtedness of, and other obligations and liabilities of any corporation, domestic or foreign, and other securities, including its own stocks, bonds and other evidences of interest or indebtedness, at such prices and upon such terms as its board of directors may deem to its best interest, and to issue in exchange therefor its own stocks, bonds or other evidences of interest or indebtedness, to guarantee, indorse or otherwise assume obligation or liability, directly or indirectly, in

respect of the bonds or other evidences of indebtedness, obligations or liabilities of any other corporation, domestic or foreign, or other securities, and to agree to repurchase any such bonds, evidences of indebtedness, obligations, liabilities or securities, sold by it, at such prices and upon such terms as its board of directors may deem to its best interests, to assume the due and punctual payment of the principal of and interest upon the funded and other debt, obligations and liabilities, and the due and punctual observance and performance of the covenants, agreements and contracts, duties and restrictions of the companies above named and of any other company or any person, upon the lawful purchase, lease or other acquisition by it of properties of such company or person, or of the control or operation of or right to use such properties in whole or in part, and to conduct its business, or any part or branch thereof, and to exercise its powers, or any of them, in and among the states, territories and possessions of the United States, the District of Columbia, and the Dominion of Canada and other foreign countries. It may have one office or more than one office, and may keep its books outside of the State of Ohio.

None of the foregoing clauses of this Article Third shall be held to limit or restrict in any manner the powers of the corporation, but the corporation shall have all the rights, powers, privileges and authorities now or hereafter conferred by law, state or federal, or of any foreign country upon corporations of like character.

ARTICLE FOURTH. The amount of the capital stock of the corporation shall be One Hundred Thousand Dollars ($100,000), divided into One Thousand (1,000) shares of the par value of One Hundred Dollars ($100) each, of which Five Hundred (500) shares, amounting to Fifty Thousand Dollars ($50,000), par value, shall be

cumulative preferred stock and Five Hundred (500) shares, amounting to Fifty Thousand Dollars ($50,000), par value, shall be common stock.

The cumulative preferred stock of the corporation herein authorized shall constitute one class of stock, which shall be preferred, both as to dividends and as to assets, as in this Article Fourth provided. This class of stock may be increased and may be issued in one or more series from time to time, all series in the class being of equal rank but differing as to terms in the respects hereinafter stated, as the board of directors shall determine.

The cumulative preferred stock herein authorized, namely, Five Hundred (500) shares, of the total par value of Fifty Thousand Dollars ($50,000), shall be issued in Series "A". Any further amounts of such class of cumulative preferred stock, which shall be authorized hereafter, may be issued either in Series "A" or in any other series, in the discretion of the board of directors.

The holders of the cumulative preferred stock, Series "A", of the corporation shall be entitled to receive, when and as declared by the board of directors, dividends at the rate of six per centum (6%) per annum, payable in preference and priority to any payment of any dividend on the common stock, such dividends to be payable quarterly on dates to be fixed by the board of directors. Dividends on the cumulative preferred stock, Series "A", shall be cumulative from such date as may be fixed by the board of directors at the time of issuance thereof, so that, if, in any quarterly dividend period, dividends at the rate of six per centum (6%) per annum shall not have been paid upon or declared and set apart for the cumulative preferred stock, Series "A", the deficiency shall be fully paid or declared and set apart for payment before any dividends shall be paid upon or declared or set apart for the common stock. After three years from the date

of issue, the outstanding cumulative preferred stock, Series "A", may be redeemed in whole, or from time to time in amounts of not less than One Million Dollars ($1,000,000), par value, on any quarterly dividend payment date, at the option of the board of directors, upon not less than sixty (60) or more than ninety (90) days' notice to the holders of record of said cumulative preferred stock, Series "A", given by mail and by publication in such manner as may be prescribed by the by-laws of the corporation or by resolution of its board of directors, by payment in cash, for each share of stock so to be redeemed, of one hundred and ten per centum (110%) of the par value thereof, together with all dividends accumulated and unpaid thereon to the date fixed for the redemption thereof. If less than all of the outstanding shares of said cumulative preferred stock, Series "A", are to be redeemed, such redemption may be made pro rata, or the shares to be redeemed may be selected by lot, in either case in such manner as may be prescribed by resolution of the board of directors.

In the event of the involuntary liquidation or dissolution of the corporation and distribution of its assets, the holders of the outstanding cumulative preferred stock, Series "A", shall be entitled to receive out of the assets of the corporation, whether capital or surplus, the par value of their respective shares, together with an amount equal to all unpaid accumulated dividends thereon, whether or not declared, before any payment shall be made to the holders of the common stock, but shall not participate further in the distribution of said assets. But in the event of the voluntary liquidation or dissolution of the corporation and distribution of its assets, the holders of the cumulative preferred stock, Series "A", shall be entitled to receive out of the assets of the corporation, whether capital or surplus, one hundred and ten per

centum (110%) of the par value of their respective shares, together with an amount equal to all unpaid accumulated dividends thereon, whether or not declared, before any payment shall be made to the holders of the common stock, but shall not participate further in the distribution of said assets.

The holders of such class of cumulative preferred stock of the corporation of each series other than Series "A", which may hereafter be issued, shall be entitled to receive, when and as declared by the board of directors, dividends at such rate or rates, not exceeding eight per centum (8%) per annum, as shall be determined by the board of directors upon the creation of such series, payable in preference and priority to any payment of any dividend on the common stock, such dividends to be payable quarterly on dates to be fixed by the board of directors. Dividends on each series shall be cumulative from such date as may be fixed by the board of directors at the time of issuance thereof, so that, if, in any quarterly dividend period, dividends, at the rate determined by the board of directors upon the creation of the respective series, shall not have been paid upon or declared and set apart for the series respectively, the deficiency shall be fully paid or declared and set apart for payment before any dividends shall be paid upon or declared or set apart for the common stock. After three years from the date of issue, the outstanding cumulative preferred stock of any series other than Series "A" may be redeemed in whole, or from time to time, in amounts of not less than One Million Dollars ($1,000,000) par value, on any quarterly dividend payment date, at the option of the board of directors, upon not less than sixty (60) or more than ninety (90) days' notice to the holders of record of said cumulative preferred stock of the series to be redeemed, given by mail and by publication in such manner

as may be prescribed by the by-laws of the corporation or by resolution of its board of directors, by payment in cash, for each share of stock so to be redeemed, of an amount to be fixed by the board of directors at the time of issuing or authorizing the series, which amount shall not exceed one hundred and fifteen per centum (115%) of the par value thereof, together with all dividends accumulated and unpaid thereon to the date fixed for the redemption thereof. If less than all of the outstanding shares of any series of said cumulative preferred stock are to be redeemed such redemption may be made pro rata, or the shares to be redeemed may be selected by lot, in either case in such manner as may be prescribed by resolution of the board of directors.

In the event of the involuntary liquidation or dissolution of the corporation and distribution of its assets, the holders of the outstanding cumulative preferred stock of any series other than Series "A" shall be entitled to receive out of the assets of the corporation, whether capital or surplus, the par value of their respective shares, together with an amount equal to all unpaid accumulated dividends thereon, whether or not declared, before any payment shall be made to the holders of the common stock, but shall not participate further in the distribution of said assets. But in the event of the voluntary liquidation or dissolution of the corporation and distribution of its assets, the holders of the cumulative preferred stock of each series other than Series "A" shall be entitled to receive out of the assets of the corporation, whether capital or surplus, the redemption price thereof, determined in the manner above prescribed, together with an amount equal to all unpaid accumulated dividends thereon, whether or not declared, before any payment shall be made to the holders of the common stock, but shall not participate further in the distribution of said assets.

If at any time more than one series of cumulative preferred stock of the class herein authorized be outstanding, any amounts applicable to dividends on such class of cumulative preferred stock, but being less than the full amount payable on all series of such class of cumulative preferred stock outstanding, if declared as dividends, shall be divided between the outstanding series of such class of cumulative preferred stock in proportion to the aggregate sums which would be distributable to each series thereof if full dividends were to be declared and paid thereon; and if, in the event of the liquidation or dissolution of the corporation and the distribution of its assets, there shall be outstanding more than one series of such class of cumulative preferred stock of different redemption values or bearing different rates of dividend, and the assets of the corporation shall not be sufficient to pay the full demands of all series of such class of cumulative preferred stock as hereinabove provided, the assets shall be distributed between the outstanding series of such class of cumulative preferred stock in proportion to the aggregate sums which would be distributable to each series thereof if full distribution were to be made.

The holders of such class of cumulative preferred stock of any series shall not be entitled to participate in any other or additional profits, earnings or dividends than the preferred dividends above provided.

Except as hereinafter otherwise specifically provided, the holders of such class of cumulative preferred stock of any series shall have no right to vote at any annual or special meeting of stockholders for the election of directors or at any other meeting of stockholders, and the consent of the holders of such class of cumulative preferred stock of any series shall not be required nor shall such holders have any right to vote in any proceed-

ing (1) for issuing any bonds or other evidences of indebtedness; (2) for pledging or mortgaging the property and franchises of the corporation; (3) for guaranteeing the bonds or other evidences of indebtedness, contracts, obligations or liabilities of any other corporation or of any person; (4) for sale or lease of the franchises and property of the corporation; (5) for merger or consolidation into or with any other corporation or corporations; (6) for voluntary dissolution or liquidation; (7) for change of name; (8) for increasing its authorized capital stock; (9) for creating any classes of stock or for establishing priorities or creating preferences among the several classes of its stock; or in any other proceeding requiring the vote or consent of stockholders; nor shall they be entitled to notice of any meeting of stockholders of the corporation; *provided, however,* that, if and when four quarterly dividends upon such class of cumulative preferred stock shall be in arrears, or if and when the corporation shall have allowed a continuous period of two years to elapse during the course of which it shall at no time have fully paid up all amounts due to holders of all series of such class of cumulative preferred stock for accumulated dividends, then in either of such events the holders of such class of cumulative preferred stock of all series shall be entitled to notice of any stockholders' meetings called for the purpose of electing directors until payment of dividends on all series of such class of cumulative preferred stock shall have been resumed and all accumulated dividends thereon paid in full. Such notice is to be given in the same manner as is provided for giving similar notice to the holders of common stock, and at such meetings the holders of all series of such class of cumulative preferred stock shall be entitled to elect one-fifth of the directors for the next ensuing year by a majority vote of such stock voted in person or by proxy at

such meetings. Except as herein otherwise specifically provided, such right of the holders of such class of cumulative preferred stock to notice and to voting power shall cease whenever all dividends in arrears upon such stock shall have been paid in full. Anything herein contained to the contrary notwithstanding, if, upon any sale or lease of the franchises and property of the corporation, or upon any merger or consolidation of the corporation into or with any other corporation, or upon any increase of the authorized capital stock of the corporation or the creation of any class of stock or the establishment of priorities or the creation of preferences among the several classes of stock, any class of stock shall be created or be proposed to be created having preference, either as to dividends or as to assets, over the cumulative preferred stock of the class in this Article Fourth provided for or over the stock of the purchasing, leasing or merging corporation, or of the consolidated corporation, for which preferred stock provided in this Article Fourth shall be exchangeable pursuant to the terms of such sale, lease, merger or consolidation, then and in any such event, but not otherwise, the holders of such preferred stock of this corporation, then outstanding, shall be entitled to notice, given in the same manner as is provided for giving similar notices to the holders of the common stock, of any stockholders' meetings called for the purpose of authorizing such sale, lease, merger or consolidation or such increase of stock or such creation of a class of stock or such establishment of priorities or creation of preferences, and to vote upon such sale, lease, merger or consolidation or increase of stock, or such creation of a class of stock or such establishment of priorities or creation of preferences, and no such sale, lease, merger or consolidation or increase of stock or such creation of a class of stock or such establishment of priorities or creation of preferences

shall be made without the vote of two-thirds of such preferred stock then outstanding in favor thereof (but such vote shall not be necessary to any increase of the class of cumulative preferred stock herein authorized, whether of Series "A" or of any other series of such class, regardless of the rate of dividend, redemption price or rate of distribution upon liquidation or dissolution).

It is the express intent and purpose that the holders of the cumulative preferred stock shall have no vote in the control or management of the corporation or of its business, transactions or affairs, except as herein expressly provided; and if, under any existing or future law, state or federal, or of any foreign country, it be or shall at any time become necessary, in order to exclude such holders from the right to vote in any proceeding or upon any matter or question with respect to which such right is not herein specifically granted, that they be specifically excluded therefrom by the certificate of incorporation or other certificate or instrument filed or recorded pursuant to law, or otherwise, then such specific exclusion shall be deemed to be herein written.

In the event of merger or consolidation of the corporation with any other corporation or corporations, authorized as herein provided, the cumulative preferred stock of all series shall be exchangeable for stock of the consolidated corporation, or for stock of the corporation into which merger is effected, at the ratios and upon the terms and conditions provided in the articles or agreement of merger or consolidation, or, at the option of the stockholder, shall be purchased at its fair market value, but at not more than the redemption prices, including accumulated and unpaid dividends, provided or determined as above set forth.

The common stock shall be subject to the prior rights of the holders of such class of cumulative preferred stock

of all series. If, after the declaration and payment in full of all dividends for all previous quarterly dividend periods and for the current quarterly dividend period on all outstanding series of such class of cumulative preferred stock, or, if after such declaration and the setting aside from the surplus or net profits of the corporation of a sum sufficient for the payment of such dividend, there shall remain any surplus or net profits of such period or periods, or of any preceding period or periods, any or all such surplus or net profits of such period and of any and all preceding periods, including the surplus of any other corporation or corporations which shall have been consolidated with or merged into said corporation or the properties and assets of which shall have been acquired by said corporation by purchase or otherwise, shall be applicable to dividends upon the common stock. And out of any such surplus or net profits the board of directors may in their discretion declare and pay dividends upon the common stock upon any of the dividend payment dates fixed as aforesaid but not until after the dividends upon such class of cumulative preferred stock of all series for the current quarterly dividend period shall have been actually paid or declared and set apart.

Except as herein otherwise specifically provided, the authorized capital stock of the corporation may be increased, and such increase may be common stock or preferred stock of the class herein authorized or of different classes, with such rights, priorities and preferences and in such amounts in respect of each as shall be permissible by law, from time to time, either (*a*) prior to the organization of the corporation and if, but not unless its authorized capital stock shall have been fully subscribed for and an installment of ten per centum (10%) on each share of stock paid thereon, by the original subscribers in the manner prescribed by law or (*b*) after the organi-

zation of the corporation, at a stockholders' meeting, duly called and held pursuant to law, by and with the consent of the holders of a majority of the stock upon which they would be entitled to vote at an election of directors of the corporation, or (c) in any other manner now or hereafter permitted, authorized or prescribed by law; *provided, however,* that the total amount of preferred stock at any time outstanding shall not exceed sixty per centum (60%) of the par value of the total capital stock then actually outstanding. The additional shares, authorized by any such increase after the organization of the corporation, shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the board of directors shall determine; and, in particular, such shares may be issued with a preferential or qualified right to dividends and with a special, or without any, right of voting, except such right, if any, as may be required by law. The directors may from time to time offer for subscription or otherwise issue or sell for any consideration permitted by law at par or any less prices, as they may determine, any or all of the unissued stock of the corporation of any class now authorized or which may hereafter be authorized or any bonds, debentures or other securities convertible into stock of any class, without offering to the stockholders then of record of any class any thereof on the same terms or on any terms, irrespective of whether such stock, bonds, debentures or securities or any part thereof be issued for property or services or cash or otherwise, and no holder of any class of stock shall have any right, pre-emptive or other, to subscribe for, purchase, or receive any part of any such stock, bonds, debentures, or other securities convertible into stock now or hereafter authorized to be issued.

IN WITNESS WHEREOF, we have hereunto set our hands this 20th day of January, 1925.

Names	Residences
J. J. Bernet.....	Shaker Heights, Ohio.
O. P. Van Sweringen....	Shaker Heights Village, Ohio.
M. J. Van Sweringen....	Shaker Heights Village, Ohio.
J. R. Nutt.....	Cleveland Heights, Ohio.
C. L. Bradley.....	Cleveland Heights, Ohio.
W. A. Colston.....	Shaker Heights, Ohio.
B. L. Jenks.....	Chagrin Falls, Ohio.

STATE OF OHIO, }
County of Cuyahoga } ss.

Personally appeared before me, the undersigned, a Notary Public in and for said county and state, this 20th day of January, A. D., 1925, the above named J. J. Bernet, O. P. Van Sweringen, M. J. Van Sweringen, J. R. Nutt, C. L. Bradley, W. A. Colston and B. L. Jenks, who each severally acknowledged the signing of the foregoing articles of incorporation to be his free act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official seal on the day and year last aforesaid.

ELMER J. HALBERG
Notary Public.

(SEAL)

STATE OF OHIO, } SS.
County of Cuyahoga }

I, George Wallace, Clerk of the Court of Common Pleas, within and for the county aforesaid, do hereby certify that Elmer J. Halberg, whose name is subscribed to the foregoing acknowledgment as a notary public, was at the date thereof a notary public in and for said county, duly commissioned and qualified, and authorized as such to take said acknowledgment; and further that I am well acquainted with his handwriting, and believe that the signature to said acknowledgment is genuine.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Court, at Cleveland, Ohio, this 20 day of January, A. D., 1925.

GEORGE WALLACE
Clerk.

(SEAL)

TO THE SECRETARY OF STATE OF THE STATE OF OHIO:

This is to certify that The New York, Chicago and St. Louis Railroad Company is a corporation incorporated under the laws of Ohio; that it owns a line of railroad control of which is intended to be acquired by the corporation organized under the articles of incorporation herewith filed; and that it hereby consents to the use of the name "The New York, Chicago and St. Louis Railway Company" by the corporation about to be so organized.

Dated January 20, 1925.

THE NEW YORK, CHICAGO AND ST. LOUIS RAILROAD COMPANY,

By J. J. BERNET
President.

Attest:

GEO. S. ROSS
Secretary.

UNITED STATES OF AMERICA,
STATE OF OHIO,
OFFICE OF THE SECRETARY OF STATE.

I, THAD H. BROWN, Secretary of State of the State of Ohio, do hereby certify that the foregoing is an exemplified copy, carefully compared by me with the original record now in my official custody as Secretary of State, and found to be true and correct, of the Articles of Incorporation of the New York, Chicago and St. Louis Railway Company, filed in this office on the 22nd day of January, 1925; and recorded in Vol. 319, Page 423, of the Records of Incorporations.

WITNESS my hand and official seal, at Columbus, this 22nd day of January, A. D. 1925.

THAD H. BROWN
Secretary of State.

(SEAL)

Note.

The subscribers to the capital stock of the corporation have executed, pursuant to Section 8698 of the Ohio General Code, a consent of which the following is a copy:

CONSENT OF ORIGINAL SUBSCRIBERS TO INCREASE OF CAPITAL STOCK.

CLEVELAND, OHIO, January 23, 1925.

We, the undersigned, being all the subscribers to the capital stock of The New York, Chicago and St. Louis Railway Company, all of the authorized capital stock of said company having been subscribed for and an instalment of ten per cent. (10%) on each share of stock having been paid thereon, do hereby unanimously consent that the capital stock of said company be increased, by increasing both common and preferred stock, from a total of One Hundred Thousand Dollars ($100,000.00), its present capital stock, which is divided into One Thousand (1,000) shares of the par value of One Hundred Dollars ($100.00) each, of which Five Hundred (500) shares are Six Per Cent Cumulative Preferred Stock, Series "A" and Five Hundred (500) shares are Common Stock, to a total of Three Hundred and Forty-five Million Dollars ($345,000,000.00), divided into Three Million Four Hundred and Fifty Thousand (3,450,000) shares of the par value of One Hundred Dollars ($100.00) each, of which One Million Five Hundred and Fifty Thousand Five Hundred (1,550,500) shares shall be Six Per Cent. Cumulative Preferred Stock, Series "A", and One Million Eight Hundred and Ninety-nine Thousand Five Hundred (1,899,500) shares shall be Common Stock.

And we do hereby authorize the incorporators, or a majority of them, to file a certificate setting forth such

action and the amount of the increase, showing the proportion of common and preferred stock when both are increased, with the Secretary of State.

Names

J. J. BERNET
O. P. VAN SWERINGEN
M. J. VAN SWERINGEN
J. R. NUTT
C. L. BRADLEY
W. A. COLSTON
B. L. JENKS

Exhibit No. 7.

THE NEW YORK, CHICAGO AND ST. LOUIS RAILROAD COMPANY

Attested Copy of Resolutions of Directors

I, GEO. S. ROSS, Secretary of The New York, Chicago and St. Louis Railroad Company DO HEREBY CERTIFY that at a meeting of the Board of Directors of said Company duly called and held in the City of Cleveland, Ohio, January 20, 1925, the following resolutions were adopted:

RESOLVED, that, subject to the approval of public authorities and of the stockholders of this Company as required by law, this Board of Directors authorizes and approves the leasing of the railroads, properties and assets of this Company, with certain exceptions, to The New York, Chicago and St. Louis Railway Company (a corporation to be formed under the laws of the State of Ohio) on the terms and by an indenture substantially in the form of the contract of lease presented to this meeting by the Committee constituted by and under the Deposit Agreement annexed to the Proposal by Messrs. O. P. and M. J. Van Sweringen, dated August 20, 1924, and heretofore laid before this Board, which contract is hereby approved, with such changes in such contract as may be necessary to meet the requirements of the Interstate Commerce Commission or to comply with any law, and as shall be approved by counsel for this Company and for said The New York, Chicago and St. Louis Railway Company; and

RESOLVED, that a special meeting of the stockholders of this Company be and it hereby is called to be held at the principal office of this Company in the City of Cleveland, Ohio, on the second day of April, 1925, at ten o'clock in the forenoon, for the purpose of (1) assenting and consenting to and approving said proposed contract and (2) transacting such other business as may properly come before the meeting; that

the Secretary of this Company cause due notice of such special meeting to be given as required by law and by the by-laws of this Company; and that the form of notice of such special meeting be substantially as follows:

THE NEW YORK, CHICAGO AND ST. LOUIS RAILROAD COMPANY

Notice of Special Meeting of Stockholders Called to be held April 2, 1925

NOTICE IS HEREBY GIVEN that a special meeting of the stockholders of The New York, Chicago and St. Louis Railroad Company has been called and will be held at the office of said Company in the Columbia Building, 112 Prospect Avenue, S. E., in the City of Cleveland, Ohio, on the second day of April, 1925 at 10 o'clock in the forenoon, for the purpose of (1) assenting and consenting to and approving a proposed contract of lease from said Company to The New York, Chicago and St. Louis Railway Company (a corporation organized or to be organized under the laws of the State of Ohio), pursuant to which, among other things, the properties and assets, with certain exceptions, of this company are to be leased to said corporation, subject to all liabilities and agreements of this Company, for the term of 999 years, all as more fully stated therein and subject to the necessary approval of public authorities; (said contract and the action authorized thereby are pursuant to the plan for the unified control and operation of the railroads of The New York, Chicago and St. Louis Railroad Company, The Chesapeake and Ohio Railway Company, The Hocking Valley Railway Company, Erie Railroad Company and Pere Marquette Railway Company, set forth in the proposal by Messrs. O. P. and M. J. Van Sweringen, dated August 20, 1924); and (2) transacting any and all other business which may properly come before the meeting.

A copy of said proposed contract and of said proposal by O. P. and M. J. Van Sweringen are on file with the Secretary of The New York, Chicago and St. Louis Railroad Company, Columbia Building, 112 Prospect Avenue, S. E., in the City of Cleveland, Ohio, and may be examined at his office by any stockholder at, or at any time before, the meeting.

Upon application to the undersigned a copy of said proposed contract of lease will be furnished to any stockholder of record.

By order of the Board of Directors.

GEO. S. ROSS, Secretary.

and,

RESOLVED, that the stock transfer books of this Company be closed at the close of business on Friday, the twentieth day of March, 1925 and be reopened at 10 o'clock in the morning of Friday, the third day of April, 1925; and

RESOLVED, that the making of application to the Interstate Commerce Commission for its approval and authorization of the acquisition of control of this Company and its railroads, properties and assets, with certain exceptions, by said The New York, Chicago and St. Louis Railway Company under said contract, with changes (if any) therein, as aforesaid, be and it hereby is approved; and that J. J. Bernet, President of this Company, be and he hereby is designated, authorized and directed to sign, verify and file such application.

I FURTHER CERTIFY that the Board of Directors of The New York, Chicago and St. Louis Railroad Company consists of fifteen members; that eleven members were present at said meeting; that eleven votes were cast in favor of the adoption of the foregoing resolutions and that no votes were cast against their adoption.

IN WITNESS WHEREOF, I have hereto set my hand and the seal of The New York, Chicago and St. Louis Railroad Company, this 20th day of February, 1925.

GEO. S. ROSS
Secretary.

[CORPORATE SEAL]

Exhibit No. 8.

THE CHESAPEAKE AND OHIO RAILWAY COMPANY

Attested Copy of Resolutions of Directors

I, A. TREVVETT, Secretary of The Chesapeake and Ohio Railway Company, DO HEREBY CERTIFY that at a meeting of the Board of Directors of said Company duly called and held in the City of Cleveland, Ohio, on the 20th day of January, 1925, the following resolutions were adopted:

RESOLVED, that, subject to the approval of public authorities and of the stockholders of this Company as required by law, this Board of Directors authorizes and approves the leasing of the railroads, properties and assets of this Company to The New York, Chicago and St. Louis Railway Company (a corporation to be formed under the laws of the State of Ohio) on the terms and by an indenture substantially in the form of the contract of lease presented to this meeting by the Committee constituted by and under the Deposit Agreement annexed to the Proposal by Messrs. O. P. and M. J. Van Sweringen, dated August 20, 1924, and heretofore laid before this Board, which contract of lease is hereby approved, with such changes in such contract as may be necessary to meet the requirements of the Interstate Commerce Commission or to comply with any law, and as shall be approved by counsel for this Company and for said The New York, Chicago and St. Louis Railway Company; and

RESOLVED, that the making of application to the Interstate Commerce Commission for its approval and authorization of the acquisition of control of this Company and its railroads, properties and assets by said The New York, Chicago and St. Louis Railway Company under said contract of lease with changes (if any) therein as aforesaid, and/or by

the purchase of at least a majority of the capital stock of this Company, be and hereby is authorized and approved; and that W. J. Harahan, President of this Company, be and he hereby is designated, authorized and directed to sign, verify and file such application.

RESOLVED, that the acquisition of control of The Hocking Valley Railway Company (a corporation of the State of Ohio) by this Company, on the terms and by an indenture substantially in the form of the contract of lease presented to this meeting by the Committee constituted by and under the Deposit Agreement annexed to the Proposal by Messrs. O. P. and M. J. Van Sweringen, dated August 20, 1924, and heretofore laid before this Board, which contract is hereby approved, with such changes therein as may be necessary to meet the requirements of the Interstate Commerce Commission or to comply with any law, and as shall be approved by Counsel for this Company and for said The Hocking Valley Railway Company, be and hereby is authorized and approved; and

RESOLVED, that the assignment of such contract of lease by this Company to The New York, Chicago and St. Louis Railway Company (a corporation to be formed under the laws of the State of Ohio), be and hereby is authorized and approved; and

RESOLVED, that the making of application to the Interstate Commerce Commission for its approval and authorization of such acquisition of control of said The Hocking Valley Railway Company and its railroads, properties and assets under such contract of lease with changes (if any) therein, as aforesaid, and under an assignment thereof, and/or by the purchase of at least a majority of its capital stock by said The New York, Chicago and St. Louis Railway Company, be and hereby is authorized and approved; and that W. J. Harahan, President of this Company, be and he hereby is designated, authorized and directed to sign, verify and file such application.

RESOLVED, that the making of the aforementioned contracts of lease, the assignment thereof, and the form and terms thereof as approved by this Board be submitted to the stockholders of this Company at a special meeting to be held at the general office of the Company, in the City of Richmond, Virginia, on Monday the 30th day of March, 1925, at eleven o'clock A. M., and that said meeting be and the same hereby is called to convene at the time and place aforesaid for the following purposes:

(1) to approve, assent and consent to, subject to any necessary approval or consent by public authorities, the contract of lease by this Company to The New York, Chicago and St. Louis Railway Company (a corporation to be formed under the laws of the State of Ohio), pursuant to which, among other things, the railroads, properties and assets of this Company are to be leased to said Corporation, subject to all liabilities and agreements of this Company, for the term of 999 years; said contract of lease and the action authorized thereby are pursuant to the plan for the unified control and operation of the railroads of The New York, Chicago and St. Louis Railroad Company, The Chesapeake and Ohio Railway Company, The Hocking Valley Railway Company, Erie Railroad Company and Pere Marquette Railway Company, set forth in the Proposal by Messrs. O. P. and M. J. Van Sweringen, dated August 20, 1924;

(2) to approve, assent and consent to, subject to any necessary approval or consent by public authorities, the contract of lease to this Company of the railroads, properties and assets of The Hocking Valley Railway Company, in which this Company owns a large majority of the capital stock; and to the assignment of said contract of lease to said The New York, Chicago and St. Louis Railway Company; said contract of lease and said assignment and the action authorized thereby are pursuant to the plan for the unified control and operation of the railroads as set out in (1) above;

(3) to authorize, assent and consent to the form and terms of any instrument or instruments of lease or otherwise in the premises that may be submitted to the meeting;

(4) to approve, ratify and confirm such action theretofore taken or authorized by the Board of Directors or by the Executive Committee of the Company, whether pursuant to any previous authorization by the Stockholders or otherwise, as may be submitted to the meeting; and

(5) to transact such other business as may lawfully come before the meeting.

RESOLVED, that the stock transfer books of this Company be closed for said meeting at the office of J. P. Morgan & Co., Transfer Agents, 23 Wall Street, New York City, on Tuesday, the 10th day of March, 1925, at three o'clock P. M., and be reopened on Tuesday, the 31st day of March, 1925, at ten o'clock A. M.

RESOLVED, that the Secretary of the Company be and he hereby is authorized and directed to cause notice of said meeting to be given by mail and publication in accordance with the requirements of law and of the by-laws of this Company, said notice to be substantially in the following form:

THE CHESAPEAKE AND OHIO RAILWAY COMPANY

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

RICHMOND, Virginia, January 26, 1925.

NOTICE IS HEREBY GIVEN that a Special Meeting of the Stockholders of The Chesapeake and Ohio Railway Company has been called by the Board of Directors of said Company to be held at the general office of the Company, in the City of Richmond, Virginia, on Monday, the 30th day of March, 1925, at eleven o'clock A. M., for the following purposes:

(1) to approve, assent and consent to, subject to any necessary approval or consent by public

authorities, the contract of lease by this Company to The New York, Chicago and St. Louis Railway Company (a corporation formed or to be formed under the laws of the State of Ohio), pursuant to which, among other things, the railroads, properties and assets of this Company are to be leased to said Corporation, subject to all liabilities and agreements of this Company, for the term of 999 years; said contract of lease and the action authorized thereby are pursuant to the plan for the unified control and operation of the railroads of The New York, Chicago and St. Louis Railroad Company, The Chesapeake and Ohio Railway Company, The Hocking Valley Railway Company, Erie Railroad Company and Pere Marquette Railway Company, set forth in the Proposal by Messrs. O. P. and M. J. Van Sweringen, dated August 20, 1924;

(2) to approve, assent and consent to, subject to any necessary approval or consent by public authorities, the contract of lease to this Company of the railroads, properties and assets of The Hocking Valley Railway Company, in which this Company owns a large majority of the capital stock; and to the assignment of said contract of lease to said The New York, Chicago and St. Louis Railway Company; said contract of lease and said assignment and the action authorized thereby are pursuant to the plan for the unified control and operation of the railroads as set out in (1) above;

(3) to authorize, assent and consent to the form and terms of any instrument or instruments of lease or otherwise in the premises that may be submitted to the meeting;

(4) to approve, ratify and confirm such action theretofore taken or authorized by the Board of Directors or by the Executive Committee of the Company, whether pursuant to any previous authorization by the Stockholders or otherwise, as may be submitted to the meeting; and

(5) to transact such other business as may lawfully come before the meeting.

The stock transfer books will close at the office of J. P. Morgan & Co., Transfer Agents, 23 Wall Street, New York City, on Tuesday, the 10th day of March, 1925, at three o'clock P. M., and will reopen on Tuesday, the 31st day of March, 1925, at ten o'clock A. M.

By order of the Board of Directors.

A. TREVVETT, Secretary.

TO STOCKHOLDERS:

A copy of said proposed contract of lease and of said Proposal by Messrs. O. P. and M. J. Van Sweringen are on file with the Secretary of The Chesapeake and Ohio Railway Company, Marshall Building, Cleveland, Ohio, and with the Assistant Secretary of the Company, First National Bank Building, Richmond, Virginia, and may be examined at their respective offices by any stockholder at, or at any time before, the meeting.

Upon application to the undersigned, a copy of said proposed contract of lease will be furnished to any stockholder of record.

A. TREVVETT,
Secretary.

I FURTHER CERTIFY that the Board of Directors of The Chesapeake and Ohio Railway Company consists of eleven members; that nine members were present at said meeting; that nine votes were cast in favor of the adoption of the foregoing resolutions and that no votes were cast against their adoption.

IN WITNESS WHEREOF, I have hereto set my hand and the seal of The Chesapeake and Ohio Railway Company this 20th day of February, 1925.

A. TREVVETT,
Secretary.

[CORPORATE SEAL]

Exhibit No. 9.

THE HOCKING VALLEY RAILWAY COMPANY

Attested Copy of Resolutions of Directors

I, A. TREVVETT, Secretary of The Hocking Valley Railway Company, DO HEREBY CERTIFY that at a meeting of the Board of Directors of said Company duly called and held in the City of Cleveland, Ohio, on the 20th day of January, 1925, the following resolutions were adopted:

RESOLVED, that, subject to the approval of public authorities and of the stockholders of this Company as required by law, this Board of Directors authorizes and approves the leasing of the railroads, properties and assets of this Company to The Chesapeake and Ohio Railway Company (a corporation of the State of Virginia), on the terms and by an indenture substantially in the form of the contract of lease presented to this meeting by the Committee constituted by and under the Deposit Agreement annexed to the Proposal by Messrs. O. P. and M. J. Van Sweringen, dated August 20, 1924, and heretofore laid before this Board, which contract of lease is hereby approved, with such changes in such contract as may be necessary to meet the requirements of the Interstate Commerce Commission or to comply with any law, and as shall be approved by counsel for this Company and for said The Chesapeake and Ohio Railway Company; and

RESOLVED, that this Board of Directors authorizes and approves the assignment of such contract of lease by The Chesapeake and Ohio Railway Company to The New York, Chicago and St. Louis Railway Company (a corporation to be formed under the laws of the State of Ohio); and

RESOLVED, that the making of application to the Interstate Commerce Commission for its approval

and authorization of the acquisition of control of this Company and its railroads, properties and assets by said The Chesapeake and Ohio Railway Company under said contract of lease and by said The New York, Chicago and St. Louis Railway Company under assignment of said contract, with changes (if any) therein, as aforesaid, and/or by the purchase of at least a majority of the capital stock of this Company, be and hereby is authorized and approved; and that W. J. Harahan, President of this Company, be and he hereby is designated, authorized and directed to sign, verify and file such application.

RESOLVED, that the making of such contract of lease and the form and terms thereof as approved by this Board be submitted to the stockholders of this Company at a special meeting to be held at the principal office of the Company, in the City of Columbus, Ohio, on Saturday, the 28th day of March, 1925, at ten o'clock A. M., and that said meeting be and the same hereby is called to convene at the time and place aforesaid for the following purposes:

(1) to approve, assent and consent to, subject to any necessary approval or consent by public authorities, the contract of lease by this Company to The Chesapeake and Ohio Railway Company, a corporation of the State of Virginia, pursuant to which, among other things, the railroads, properties and assets of this Company are to be leased to said The Chesapeake and Ohio Railway Company, subject to all liabilities and agreements of this Company, for the term of 999 years; said contract of lease and the action authorized thereby are pursuant to the plan for the unified control and operation of the railroads of The New York, Chicago and St. Louis Railroad Company, The Chesapeake and Ohio Railway Company, The Hocking Valley Railway Company, Erie Railroad Company and Pere Marquette Railway Company, set forth in the Proposal by Messrs. O. P. and M. J. Van Sweringen, dated August 20, 1924;

(2) to approve, assent and consent to the assignment of such contract of lease by The Chesapeake and Ohio Railway Company to The New York, Chicago and St. Louis Railway Company (a corporation to be formed under the laws of the State of Ohio);

(3) to authorize, assent and consent to the form and terms of any instrument or instruments of lease or otherwise in the premises that may be submitted to the meeting;

(4) to approve, ratify and confirm such action theretofore taken or authorized by the Board of Directors or by the Executive Committee of the Company, whether pursuant to any previous authorization by the Stockholders or otherwise, as may be submitted to the meeting; and

(5) to transact such other business as may lawfully come before the meeting.

RESOLVED, that the stock transfer books of this Company be closed for said meeting at the office of J. P. Morgan & Co., Transfer Agents, 23 Wall Street, New York City, on Saturday, the 14th day of March, 1925, at twelve o'clock Noon, and be reopened on Wednesday, the 8th day of April, 1925, at ten o'clock A. M.

RESOLVED, that the Secretary of the Company be and he hereby is authorized and directed to cause notice of said meeting to be given by mail and publication in accordance with the requirements of law and of the by-laws of this Company, said notice to be substantially in the following form:

THE HOCKING VALLEY RAILWAY COMPANY

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

COLUMBUS, Ohio, January 26, 1925.

NOTICE IS HEREBY GIVEN that a Special Meeting of the Stockholders of The Hocking Valley Railway Company has been called by the Board of Directors

of said Company to be held at the principal office of the Company, in the Spahr Building, Columbus, Ohio, on Saturday, the 28th day of March, 1925, at ten o'clock A. M., for the following purposes:

(1) to approve, assent and consent to, subject to any necessary approval or consent by public authorities, the contract of lease by this Company to The Chesapeake and Ohio Railway Company, a corporation of the State of Virginia, pursuant to which, among other things, the railroads, properties and assets of this Company are to be leased to said The Chesapeake and Ohio Railway Company, subject to all liabilities and agreements of this Company, for the term of 999 years; said contract of lease and the action authorized thereby are pursuant to the plan for the unified control and operation of the railroads of The New York, Chicago and St. Louis Railroad Company, The Chesapeake and Ohio Railway Company, The Hocking Valley Railway Company, Erie Railroad Company and Pere Marquette Railway Company, set forth in the Proposal by Messrs. O. P. and M. J. Van Sweringen, dated August 20, 1924;

(2) to approve, assent and consent to the assignment of such contract of lease by The Chesapeake and Ohio Railway Company to The New York, Chicago and St. Louis Railway Company (a corporation formed or to be formed under the laws of the State of Ohio);

(3) to authorize, assent and consent to the form and terms of any instrument or instrumen of lease or otherwise in the premises that may be submitted to the meeting;

(4) to approve, ratify and confirm such action theretofore taken or authorized by the Board of Directors or by the Executive Committee of the Company, whether pursuant to any previous authorization by the Stockholders or otherwise, as may be submitted to the meeting; and

(5) to transact such other business as may lawfully come before the meeting.

The stock transfer books will close at the office of J. P. Morgan & Co., Transfer Agents, 23 Wall Street, New York City, on Saturday, the 14th day of March, 1925, at twelve o'clock Noon, and will reopen on Wednesday, the 8th day of April, 1925, at ten o'clock A. M.

By order of the Board of Directors.

A. TREVVETT, Secretary.

TO STOCKHOLDERS:

A copy of said proposed contract of lease and of said Proposal by Messrs. O. P. and M. J. Van Sweringen are on file with the Secretary of The Hocking Valley Railway Company, Marshall Building, Cleveland, Ohio, and with the Assistant Secretary of the Company, Spahr Building, Columbus, Ohio, and may be examined at their respective offices by any stockholder at, or at any time before, the meeting.

Upon application to the undersigned, a copy of said proposed contract of lease will be furnished to any stockholder of record.

A. TREVVETT, Secretary.

I FURTHER CERTIFY that the Board of Directors of The Hocking Valley Railway Company consists of thirteen members; that ten members were present at said meeting; that ten votes were cast in favor of the adoption of the foregoing resolutions and that no votes were cast against their adoption.

IN WITNESS WHEREOF, I have hereto set my hand and the seal of The Hocking Valley Railway Company this 20th day of February, 1925.

A. TREVVETT
Secretary.

[CORPORATE SEAL]

Exhibit No. 10.

ERIE RAILROAD COMPANY

Attested Copy of Resolutions of Directors

There was presented to the meeting a form of Contract of Lease for 999 years, of the railroads and other property and assets of this Company, to The New York, Chicago and St. Louis Railway Company, which it was stated was the result of protracted negotiations between the representatives of this Company and representatives of The New York, Chicago and St. Louis Railway Company and of the Committee constituted by and under the Deposit Agreement annexed to the Proposal of Messrs. O. P. and M. J. Van Sweringen dated August 20, 1924, heretofore laid before and acted upon by this Board.

There was also presented to the meeting the report dated January 23, 1925, of the Special Committee consisting of Messrs. George F. Baker, Grenville Kane and L. F. Loree, appointed by the Executive Committee of the Board of Directors at its meeting on October 31, 1924, to consider, together with counsel, questions arising in connection with the said Proposal for the unified operation and control of the railroads of this Company and of certain other companies, including the terms and provisions of the proposed lease, and to report thereon to this Board; and in and by which report said Special Committee approved the said proposed lease so submitted to this Board, with such changes in detail as may be approved by Counsel for the Company, and recommended the same to the Board. It was further stated that the Executive Committee of this Board at its meeting held on this day had also approved the report of said Special Committee and had recommended to this Board that it approve said report and said proposed lease. There was

also presented to the meeting a certified copy of the Articles of Incorporation of The New York, Chicago and St. Louis Railway Company submitted by said Company.

Whereupon, after consideration and discussion, and on motion duly seconded and carried, it was

RESOLVED, that subject to the approval of public authorities and of the stockholders of this Company, as required by law, this Board of Directors approves the leasing of the railroads, properties and assets of this Company to The New York, Chicago and St. Louis Railway Company, a corporation formed under the laws of the State of Ohio, on the terms and by a contract of lease substantially in the form of the contract of lease presented to this meeting by the committee constituted by and under the Deposit Agreement annexed to the Proposal of Messrs. O. P. and M. J. Van Sweringen dated August 20, 1924, and heretofore laid before this Board, and which proposed contract of lease is also presented to this Board by The New York, Chicago and St. Louis Railway Company, which has been organized to take such lease pursuant to the said Proposal; and said contract of lease is hereby approved with such changes therein as may be necessary to meet the requirements of the Interstate Commerce Commission or to comply with any law and as shall be approved by counsel for this Company, and such changes in detail as may be approved by counsel for this Company; and

RESOLVED, that a special meeting of the stockholders of this Company be called to be held at the principal office of this Company, 50 Church Street, in the City of New York, at twelve o'clock noon on Wednesday, the 25th day of March, 1925, (1) for the purpose of voting on said proposed contract of lease, and (2) for the purpose of transacting such other business as may properly come before the meeting; and that pursuant to the By-

Laws of this Company, the Secretary of this Company cause due notice of such special meeting to be given as required by law and by the By-Laws of this Company; that the form of notice of such special meeting be substantially as follows:

ERIE RAILROAD COMPANY

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS CALLED TO BE HELD MARCH 25, 1925

Notice is hereby given that a special meeting of the stockholders of Erie Railroad Company has been called and will be held at the office of the said Company, 50 Church Street, in the Borough of Manhattan, City of New York, on the 25th day of March, 1925, at twelve o'clock noon (1) for the purpose of voting on a proposed contract of lease from said Erie Railroad Company to The New York, Chicago and St. Louis Railway Company (a corporation organized and existing under the laws of the State of Ohio) pursuant to which, among other things, the railroads, properties and assets of said Erie Railroad Company are to be leased for a term of 999 years to said The New York, Chicago and St. Louis Railway Company subject to all liabilities and agreements of said Erie Railroad Company, all as more fully stated therein, and subject to the necessary approval of public authorities; (said contract of lease is presented pursuant to and for the purpose of carrying out the plan for unified control and operation of the railroads of Erie Railroad Company, The New York, Chicago and St. Louis Railroad Company, The Chesapeake and Ohio Railway Company, The Hocking Valley Railway Company and Pere Marquette Railway Company, set forth in the Proposal made to the stockholders of all of said railroad companies by Messrs. O. P. and M. J. Van Sweringen, dated August 20, 1924, and the Deposit Agreement annexed thereto); and (2) for the purpose of transacting

any and all other business which may properly come before the meeting.

A copy of said proposed contract of lease and of said Proposal of Messrs. O. P. and M. J. Van Sweringen, with the Deposit Agreement annexed thereto, are on file with the Secretary of Erie Railroad Company, 50 Church Street, New York City, and may be examined at his office by any stockholder of record at, or at any time before, the meeting. Upon application to the undersigned, a copy of said proposed contract of lease and of said Proposal will be furnished to any stockholder of record.

The transfer books of both the common and preferred stocks will be closed at the close of business on Monday, February 23, 1925, and will be reopened at ten A. M. on Thursday, March 26, 1925.

By order of the Directors.

.....
Secretary.

AND RESOLVED, that the stock transfer books of this Company be closed at the close of business on Monday, the 23rd day of February, 1925, and be reopened at ten A. M. on Thursday, March 26, 1925. And

RESOLVED, that the making of application to the Interstate Commerce Commission for its approval and authorization of the acquisition of control of this Company and of its railroads, properties and assets by said The New York, Chicago and St. Louis Railway Company under said contract of lease, with such changes, if any, as aforesaid, and/or by the purchase of at least a majority of the capital stock of this Company, be and hereby is authorized and approved, and that Mr. F. D. Underwood, President of this Company, or Mr. Geo. F. Brownell, Vice-President and General Counsel of this Company, and each of them, be and hereby is designated, authorized and directed to sign, verify and file such application; and

RESOLVED, that the President and other proper officers of the Company be and they hereby are authorized and directed to take such other steps and do such other things, and to sign such other documents by and on behalf of this Company, as may be necessary or desirable to carry out the purpose and intent of the foregoing resolutions; and

RESOLVED, that this Board recommends to the stockholders of this Company that they approve the proposed contract of lease to be submitted to them for action at said meeting to be held March 25, 1925.

I HEREBY CERTIFY that the foregoing is a true copy of an extract from the minutes of a meeting of the Board of Directors of Erie Railroad Company, duly called and held on January 23, 1925, at which meeting a quorum was present and the foregoing resolutions were duly adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of Erie Railroad Company this 20th day of February, 1925.

GEO. H. MINOR
Secretary

[CORPORATE SEAL]

Exhibit No. 11.

PERE MARQUETTE RAILWAY COMPANY

Attested Copy of Resolutions of Directors

I, E. M. HEBERD, Secretary of Pere Marquette Railway Company, do hereby certify that at a meeting of the Board of Directors of said Company duly called and held in the City of New York, State of New York, on the 11th day of February, 1925, the following resolutions were adopted:

RESOLVED, that, subject to the approval of public authorities and of the stockholders of this Company as required by law, and subject also to the carrying out of the plan set forth in the Proposal by Messrs. O. P. and M. J. Van Sweringen, dated August 20, 1924, as to all of the Lessor Companies named in said Proposal, and to the approval by counsel for this Company of the form of the leases of the property of said several Lessor Companies, this Board of Directors authorizes and approves the leasing of the railroads, properties and assets of this Company to The New York, Chicago and St. Louis Railway Company (a corporation formed under the laws of the State of Ohio) on the terms and by an indenture substantially in the form of the contract of lease presented to this meeting, which form of contract of lease is hereby approved, with such changes in such contract as may be necessary to meet the requirements of the Interstate Commerce Commission or to comply with any law, and as shall be approved by counsel for this Company and for said The New York, Chicago and St. Louis Railway Company; and

RESOLVED, that the making of application to the Interstate Commerce Commission for its approval and authorization of the acquisition of control of this Company and its railroads, properties and assets by said The New York, Chicago and St. Louis Railway Company under said contract of lease with

changes (if any) therein as aforesaid, and/or by the purchase of at least a majority of the capital stock of this Company, be and hereby is authorized and approved; and that E. N. Brown, Chairman of the Board of Directors, or Frank H. Alfred, President, of this Company, be and they hereby are designated, authorized and directed to sign, verify and file such application.

RESOLVED, that the making of the aforementioned contract of lease, and the form and terms thereof as approved by this Board be submitted to the stockholders of this Company at a special meeting to be held at the general office of the Company, in the City of Detroit, Michigan, on Saturday, the 21st day of March, 1925, at eleven o'clock A. M., and that said meeting be and the same hereby is called to convene at the time and place aforesaid for the following purposes:

(1) to approve, assent and consent to, subject to any necessary approval or consent by public authorities, the contract of lease by this Company to The New York, Chicago and St. Louis Railway Company (a corporation formed under the laws of the State of Ohio), pursuant to which, among other things, the railroads, properties and assets of this Company are to be leased to said corporation, subject to all liabilities and agreements of this Company, for the term of 999 years; said contract of lease and the action authorized thereby are pursuant to the plan for the unified control and operation of the railroads of The New York, Chicago and St. Louis Railroad Company, The Chesapeake and Ohio Railway Company, The Hocking Valley Railway Company, Erie Railroad Company and Pere Marquette Railway Company, set forth in the Proposal by Messrs. O. P. and M. J. Van Sweringen, dated August 20, 1924;

(2) to authorize, assent and consent to the form and terms of any instrument or instruments of lease or otherwise in the premises that may be submitted to the meeting;

(3) to approve, ratify and confirm such action theretofore taken or authorized by the Board of Directors or by the Executive Committee of the Company, as may be submitted to the meeting; and

(4) to transact such other business as may lawfully come before the meeting.

RESOLVED, that the Secretary of the Company be and he hereby is authorized and directed to cause notice of said meeting to be given in accordance with the requirements of law and of the by-laws of this Company, namely, by notice given in writing personally to each stockholder by posting such notice in a postage prepaid envelope, addressed to him at his post-office address of record with the Company, or if he shall not have furnished such address, addressed to him at the General Post-Office, Detroit, Michigan, at least thirty days previous to such meeting, and also by publication of such notice once a week for four successive weeks in a daily newspaper of general circulation in the Borough of Manhattan, City and State of New York, the first publication of such notice to be at least thirty days previous to the meeting; said notice to be substantially in the following form:

PERE MARQUETTE RAILWAY COMPANY

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

DETROIT, Michigan, February 18, 1925.

NOTICE IS HEREBY GIVEN that a Special Meeting of the Stockholders of Pere Marquette Railway Company has been called by the Board of Directors of said Company to be held at the general office of the Company, in the City of Detroit, Michigan, on Saturday, the 21st day of March, 1925, at eleven o'clock A. M., for the following purposes:

(1) to approve, assent and consent to, subject to any necessary approval or consent by public authorities, the contract of lease by this Company

to The New York, Chicago and St. Louis Railway Company (a corporation formed under the laws of the State of Ohio), pursuant to which, among other things, the railroads, properties and assets of this Company are to be leased to said corporation, subject to all liabilities and agreements of this Company, for the term of 999 years; said contract of lease and the action authorized thereby are pursuant to the plan for the unified control and operation of the railroads of The New York, Chicago and St. Louis Railroad Company, The Chesapeake and Ohio Railway Company, The Hocking Valley Railway Company, Erie Railroad Company and Pere Marquette Railway Company, set forth in the Proposal by Messrs. O. P. and M. J. Van Sweringen, dated August 20, 1924;

(2) to authorize, assent and consent to the form and terms of any instrument or instruments of lease or otherwise in the premises that may be submitted to the meeting;

(3) to approve, ratify and confirm such action theretofore taken or authorized by the Board of Directors or by the Executive Committee of the Company, as may be submitted to the meeting; and

(4) to transact such other business as may lawfully come before the meeting.

The stock transfer books will not be closed, but under the by-laws of the Company no stock can be voted at said meeting which shall have been transferred on the books of the Company after the close of business on March 11, 1925.

By order of the Board of Directors.

E. M. HEBERD, Secretary.

TO STOCKHOLDERS:

A copy of said proposed contract of lease and of said Proposal by Messrs. O. P. and M. J. Van Swer-

ingen are on file with the Secretary of Pere Marquette Railway Company, 120 Broadway, New York City, N. Y., and with the Assistant Secretary of the Company, Fort Street Union Depot Building, Detroit, Michigan, and may be examined at their respective offices by any stockholder at, or at any time before, the meeting.

Upon application to the undersigned, a copy of said proposed contract of lease will be furnished to any stockholder of record.

E. M. HEBERD, Secretary.

I FURTHER CERTIFY that the Board of Directors of Pere Marquette Railway Company consists of fifteen members; that ten members were present at said meeting; that ten votes were cast in favor of the adoption of the foregoing resolutions and that no votes were cast against their adoption.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of Pere Marquette Railway Company this 20th day of February, 1925.

E. M. HEBERD
Secretary

[CORPORATE SEAL]

Exhibit No. 12.

THE NEW YORK, CHICAGO AND ST. LOUIS RAILWAY COMPANY

Attested Copy of Resolutions of Incorporators

I, W. A. COLSTON, DO HEREBY CERTIFY that I was secretary of the meeting of the Incorporators of The New York, Chicago and St. Louis Railway Company, held in the City of Cleveland, Ohio, January 23, 1925 and that the following resolutions were adopted:

RESOLVED, that the acquisition of control by this Company of The New York, Chicago and St. Louis Railroad Company, The Chesapeake and Ohio Railway Company, The Hocking Valley Railway Company, Erie Railroad Company, and Pere Marquette Railway Company directly or indirectly for the period of 999 years on the terms and by indentures substantially in the forms of the contracts of leases presented to this meeting by the Committee constituted by and under the Deposit Agreement annexed to the Proposal by Messrs. O. P. and M. J. Van Sweringen, dated August 20, 1924, which contracts are hereby approved, or with such changes therein as may be necessary to meet the requirements of the Interstate Commerce Commission or to comply with any law and as shall be approved by Counsel for this Company, and/or by the purchase by this Company of at least a majority of the capital stocks of said companies, except The New York, Chicago and St. Louis Railroad Company, be and hereby it is approved, and

RESOLVED, that the several leases be submitted by this Company to said other companies by W. A. Colston, J. H. Agate, and White & Case, and that all

action taken by W. A. Colston, J. H. Agate or White & Case in respect of submitting such leases to said other companies be, and hereby it is, ratified, approved and confirmed, and

RESOLVED, that the making of application to the Interstate Commerce Commission for its approval and authorization of such acquisition of control, be and hereby it is approved, and W. A. Colston, one of the incorporators of this Company be, and hereby he is designated, authorized and directed to verify and file such application, and

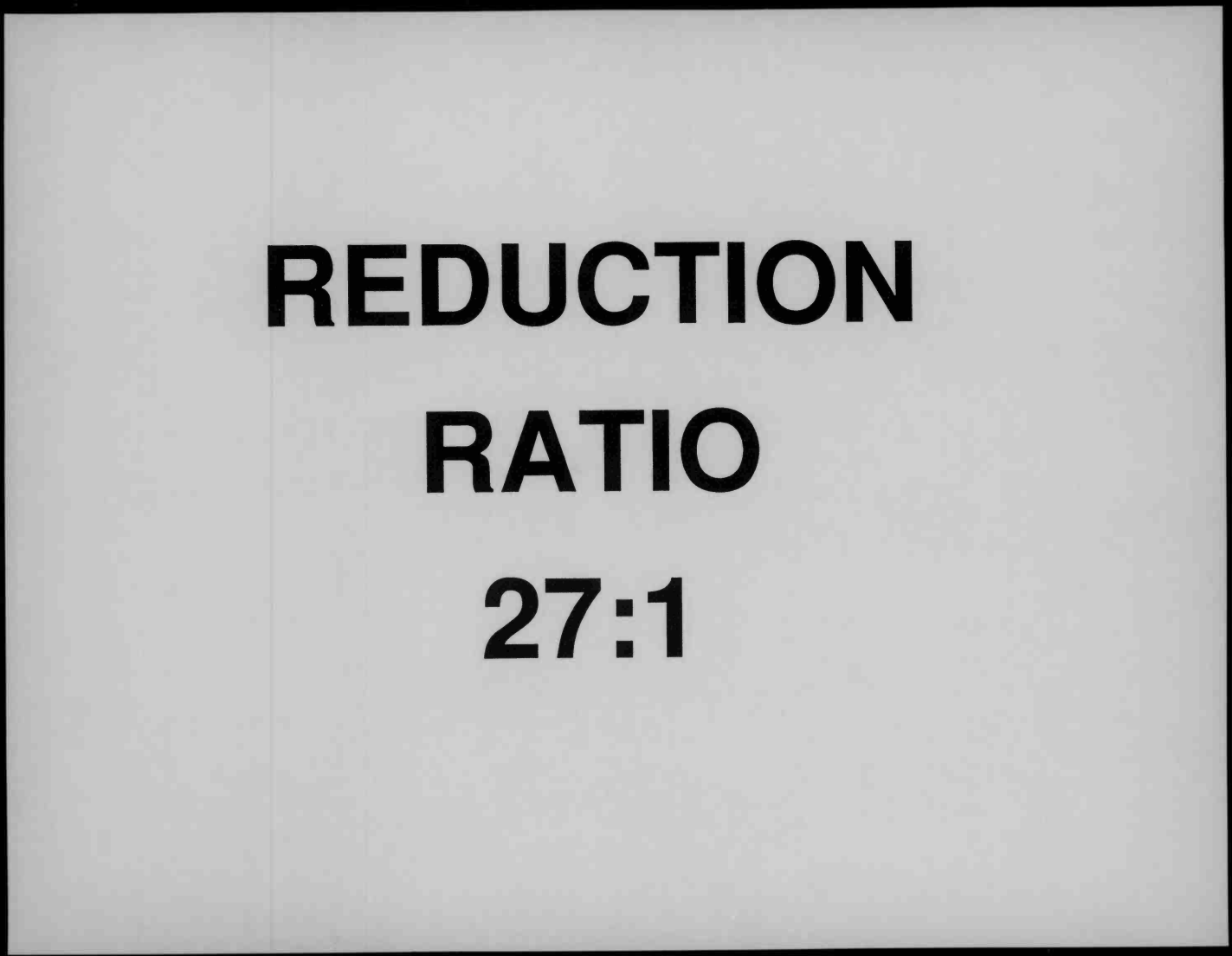
RESOLVED, that this Company issue 1,550,500 shares of 6% Cumulative Preferred Stock, Series "A" and 1,899,500 shares of Common Stock, and that said W. A. Colston, one of the incorporators of this Company be, and hereby he is, designated, authorized and directed to sign, verify and file an application to said Commission for authority to issue such stock.

I FURTHER CERTIFY, that J. J. Bernet, O. P. Van Sweringen, M. J. Van Sweringen, J. R. Nutt, C. L. Bradley, W. A. Colston and B. L. Jenks, all of the Incorporators of The New York, Chicago and St. Louis Railway Company, were present at said meeting; that seven votes were cast in favor of the adoption of the foregoing resolutions and that no votes were cast against their adoption.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of The New York, Chicago and St. Louis Railway Company, this 20th day of February, 1925.

W. A. COLSTON

[CORPORATE SEAL]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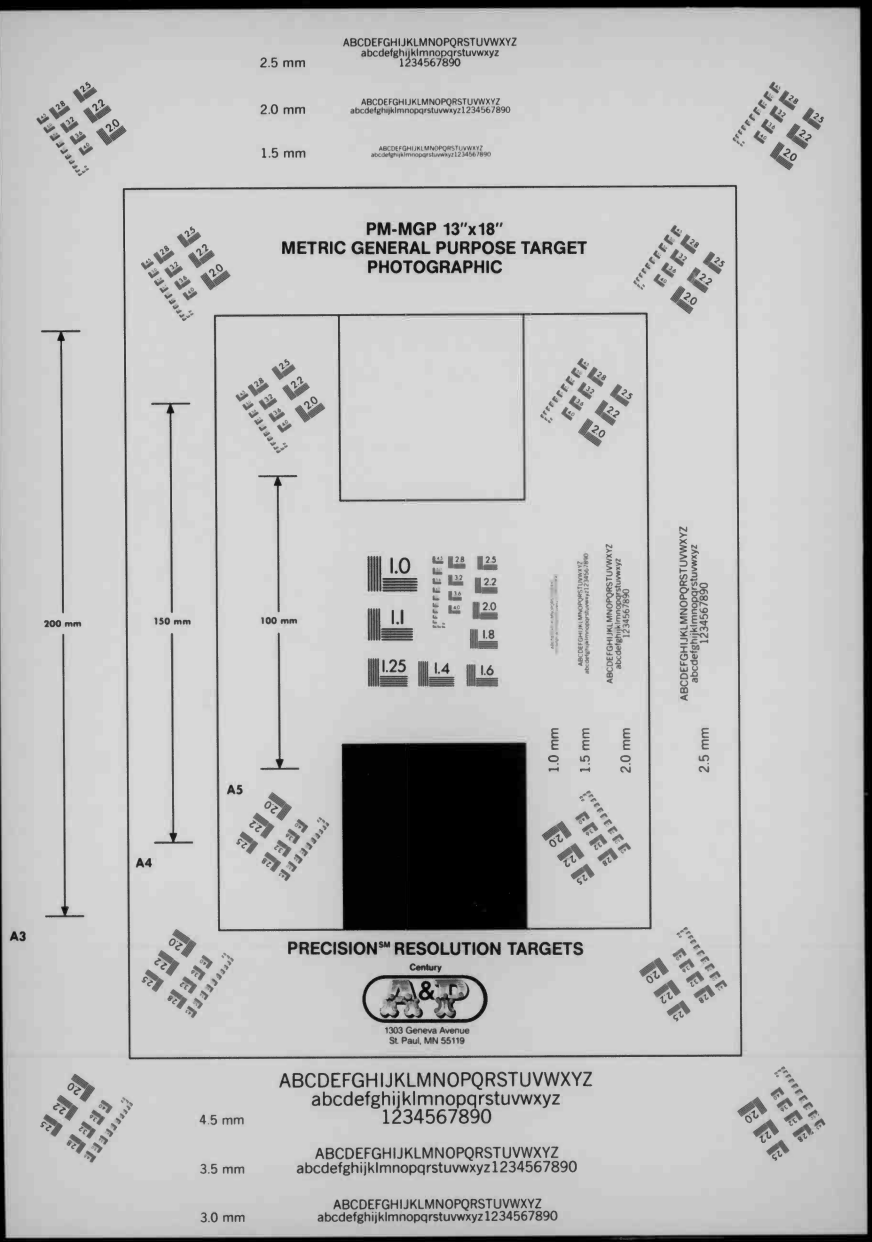
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PRECISION℠ RESOLUTION TARGETS
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St. Paul, MN 55119
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EXHIBIT NO. 18

KEY MAP

INDICATING CORRECTLY THE LINES OF

The New York, Chicago and St. Louis Railroad Company
The Chesapeake and Ohio Railway Company
The Hocking Valley Railway Company
Erie Railroad Company
Pere Marquette Railway Company
AND THE
PROPOSED LINES OF
The New York, Chicago and St. Louis Railway Company

IN THEIR TRUE RELATION TO EACH OTHER,
TO THE LINES OF OTHER EXISTING CARRIERS
AND TO THE PRINCIPAL GEOGRAPHIC POINTS
OF THE REGION TRAVERSED

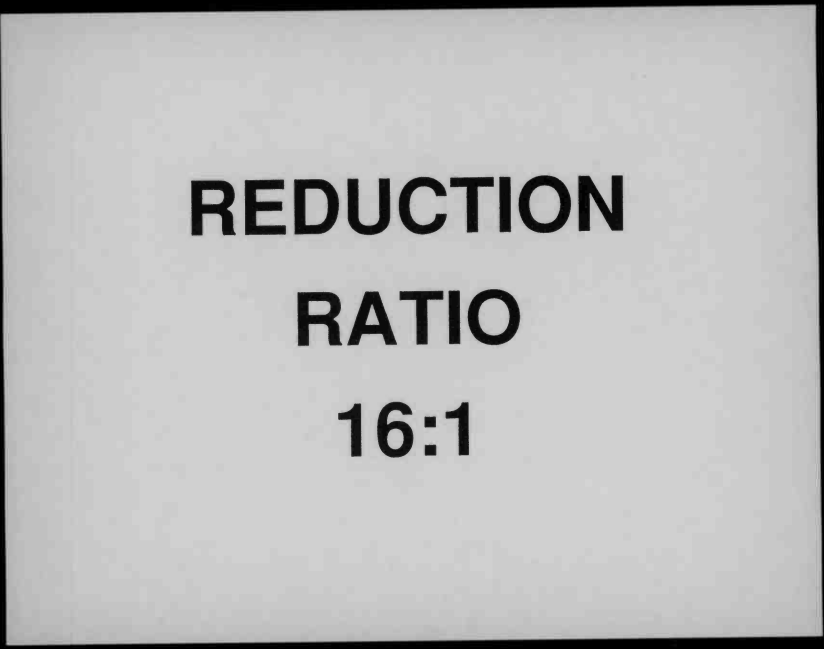
1925

Legend

N. Y., C. & St. L. R. R. Co. shown in
C. & O. Ry. Co. shown in
H. V. Ry. Co. shown in
Erie R. R. Co. shown in
P. M. Ry. Co. shown in
D. & T. Shore Line R. R. Co. shown in
N. Y., C. & St. L. Ry. Co. (proposed construction)

indicates Ownership in Fee
indicates Leased Road
indicates Operated through Stock Ownership
indicates Stock owned but separately operated
indicates Trackage Rights
indicates Car Ferries

SCALE: 1 INCH = 91 MILES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RATIO
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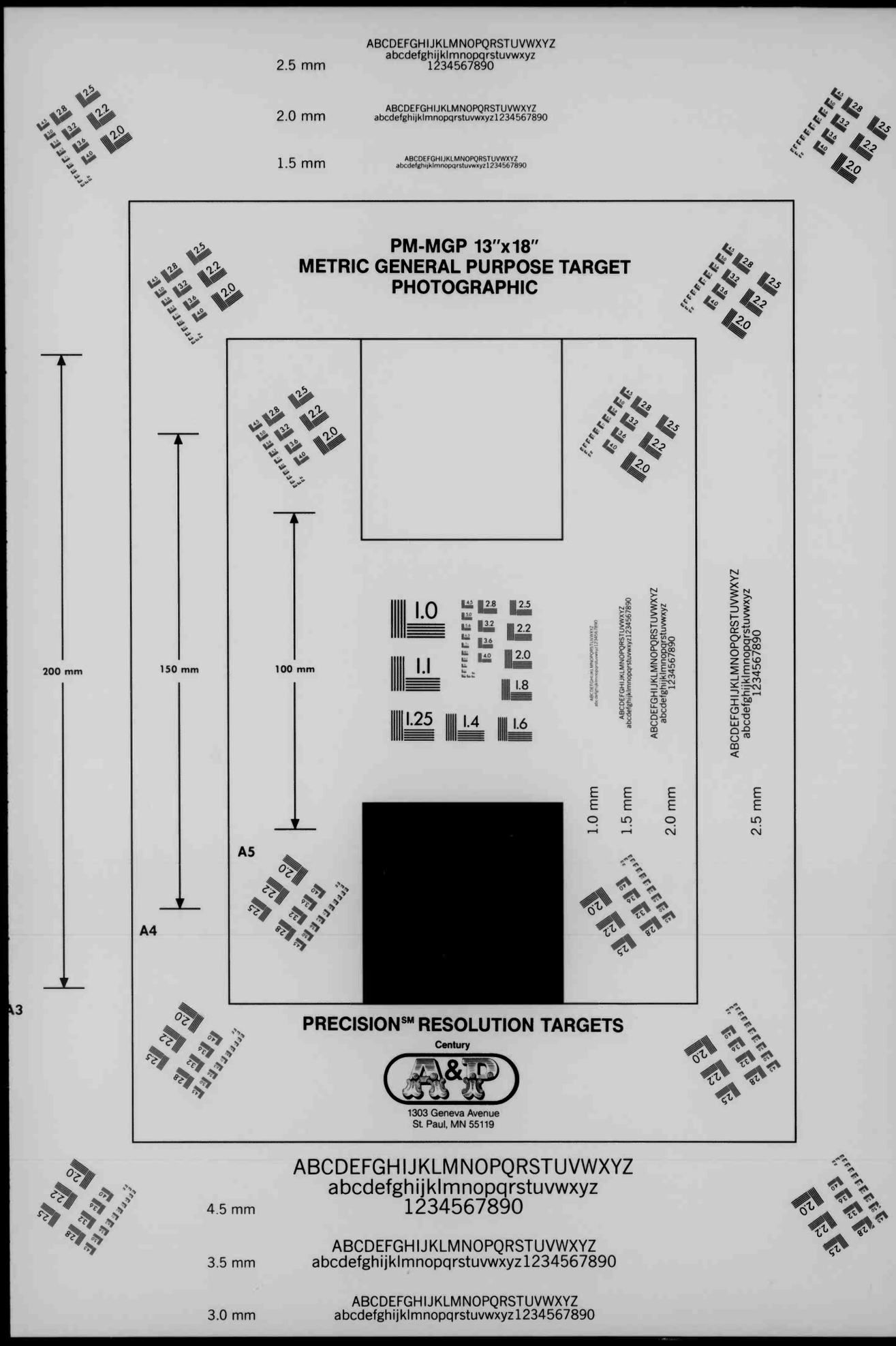
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PM-MGP 13"x18"
METRIC GENERAL PURPOSE TARGET
PHOTOGRAPHIC
200 mm
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A5
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1.0 mm
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PRECISION℠ RESOLUTION TARGETS
Century
A&P
1303 Geneva Avenue
St. Paul, MN 55119
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WISCONSIN
MICHIGAN
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LAKE ERIE
ILLINOIS
INDIANA
OHIO
KENTUCKY
TENNESSEE
WEST VIRGINIA
NORTH
MARINETTE
MENOMINEE
GREEN BAY
MANITOWOC
SHEBOYGAN
FOND DU LAC
MILWAUKEE
RACINE
KENOSHA
LA CROSSE
MADISON
ROCKFORD
DAVENPORT
CHICAGO
JOLIET
PEORIA
QUINCY
SPRINGFIELD
DECATUR
ALTON
ST. LOUIS
E. ST. LOUIS
KASKASKIA
EVANSVILLE
CAIRO
PADUCAH
INDIANAPOLIS
TERRE HAUTE
SOUTH BEND
GOSHEN
LAPORTE
MICHIGAN CITY
GRAND RAPIDS
GRAND HAVEN
MUSKEGON
KALAMAZOO
BATTLECREEK
LANSING
JACKSON
ANN ARBOR
DETROIT
PONTIAC
FLINT
SAGINAW
BAY CITY
TOLEDO
MONROE
ADRIAN
SARNIA
LONDON
HAMILTON
BRANTFORD
CLEVELAND
AKRON
YOUNGSTOWN
NEW CASTLE
SHARPSV.
SHARON
MANSFIELD
COLUMBUS
SPRINGFIELD
DAYTON
CINCINNATI
ZANESVILLE
MARIETTA
CHARLESTON
HUNTINGTON
GALLIPOLIS
PARKERSBURG
MORGANTOWN
WHEELING
ROANOKE
BLUEFIELD
PRESTONSBURG
PIKEVILLE
HAZARD
LOUISVILLE
FRANKFORT
LEXINGTON
MAYSVILLE
OWENSBORO
HENDERSON
MADISONVILLE
HOPKINSVILLE
BOWLING GREEN
GLASGOW
CUMBERLAND RIVER
TENNESSEE RIVER
MISSISSIPPI RIVER
OHIO RIVER
WABASH RIVER
GREEN RIVER
KANKAKEE RIVER
ILLINOIS RIVER
P.M. Car Ferry

EXHIBIT NO. 18

KEY MAP

INDICATING CORRECTLY THE LINES OF

The New York, Chicago and St. Louis Railroad Company
The Chesapeake and Ohio Railway Company
The Hocking Valley Railway Company
Erie Railroad Company
Pere Marquette Railway Company
AND THE
PROPOSED LINES OF
The New York, Chicago and St. Louis Railway Company

IN THEIR TRUE RELATION TO EACH OTHER,
TO THE LINES OF OTHER EXISTING CARRIERS
AND TO THE PRINCIPAL GEOGRAPHIC POINTS
OF THE REGION TRAVERSED

1925

Legend

N. Y., C. & St. L. R. R. Co. shown in . . . . .
C. & O. Ry. Co. shown in . . . . . .
H. V. Ry. Co. shown in . . . . . .
Erie R. R. Co. shown in . . . . . .
P. M. Ry. Co. shown in . . . . . .
D. & T. Shore Line R. R. Co. shown in . . .
N. Y., C. & St. L. Ry. Co. (proposed construction)

indicates Ownership in Fee
indicates Leased Road
indicates Operated through Stock Ownership
indicates Stock owned but separately operated
indicates Trackage Rights
indicates Car Ferries

SCALE: 1 INCH = 35 MILES

0 50 100

Exhibit No. 19.

PROPOSED FORM OF LEASE FOR THE NEW YORK, CHICAGO, AND ST. LOUIS RAILROAD COMPANY.

"A"

Indenture, dated the.....day of ....., 1925, by and between THE NEW YORK, CHICAGO AND ST. LOUIS RAILROAD COMPANY, a consolidated railroad corporation of the States of New York, Pennsylvania, Ohio, Indiana and Illinois, hereinafter called "the Lessor", party of the first part, and THE NEW YORK, CHICAGO AND ST. LOUIS RAILWAY COMPANY, a corporation of the State of Ohio, hereinafter called "the Lessee", party of the second part;

WHEREAS, the Lessor owns, controls and operates certain lines of railway and other property, with the appurtenances thereof, in the states above named; and

WHEREAS, the Lessee desires to lease all such lines of railway and appurtenances and certain other property and appurtenances of the Lessor, together with the rents, issues and profits thereof, and the Lessor is willing to lease the same unto the Lessee upon the terms and conditions set forth in this indenture; and

WHEREAS, the Lessor and the Lessee respectively acknowledge that all acts and things required by law to make this indenture a valid, binding and enforceable indenture of lease in accordance with the terms and conditions hereof have been done and performed by the Lessor and by the Lessee respectively and have happened;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That in consideration of the mutual covenants and agreements herein contained and of other valuable considerations, the receipt of which by each of the parties to this indenture from the other is hereby acknowledged, the parties hereto respectively act, covenant and agree as herein stated.

The Lessor, subject to all of the terms and conditions herein set forth, has let, demised, leased and assigned, and does hereby let, demise, lease and assign, unto the Lessee, its successors and assigns, for the term hereinafter stated:

All and singular the right, title and interest of the Lessor in and to the following lines of railway and other property, real, personal and mixed, together with any and all other property owned by the Lessor or in which it has

any interest, legal or equitable (with the exceptions hereinafter stated), whether or not herein specifically described, all of which are hereinafter sometimes referred to collectively as "the leased properties", *viz.:*

(*a*) all properties hereinafter described which are mortgaged under the Lessor's Refunding Mortgage dated March 1, 1924, and, (*b*) all other properties of the Lessor, with certain exceptions hereinafter specified, which are not mortgaged under said Refunding Mortgage, to-wit:

A. ALL PROPERTY MORTGAGED UNDER LESSOR'S REFUNDING MORTGAGE

All properties, real and personal, including leaseholds, interests and securities, conveyed or pledged by the granting clause of an indenture dated the 1st day of March, 1924, by and between the Lessor and Guaranty Trust Company of New York, known or referred to as "Refunding Mortgage", under which Refunding Mortgage there are now outstanding in the hands of the public five and one-half per cent. (5½%) gold bonds, Series A, in the principal amount of $26,058,000. Said properties are more particularly described as follows:

PARCEL FIRST

All and singular the lines of railroad now owned by the Lessor, including the following described lines, arranged for convenience into groups, according to prior mortgages of the Lessor's constituent companies and other liens, it being understood that there were at the date of said Refunding Mortgage, March 1, 1924, and are now in existence upon each of said lines of railroad divers prior liens which are particularly described at the end of each group of railroads.

Group I

The following railroads, aggregating 513.01 miles, subject in addition to said Refnnding Mortgage to those certain mortgages hereinafter described:

1. The main line of railroad formerly owned by The New York, Chicago and St. Louis Railroad Company, one of the Lessor's constituent companies, extending from Buffalo in Erie County, New York, through Erie and Chautauqua Counties in said state and into and through the City and County of Erie in the State of Pennsylvania and into and through the counties of Ashtabula, Lake, Cuyahoga, Lorain, Erie,

Huron, Sandusky, Seneca, Hancock, Putnam and Paulding in the State of Ohio, and into and through the counties of Allen, Whitley, Kosciusko, Marshall, Starke, LaPorte, Porter and Lake in the State of Indiana, to a point on the boundary line between the States of Indiana and Illinois, a distance of 502.56 miles.

2. The main line of railroad formerly owned by The Chicago and State Line Railroad Company, one of the Lessor's constituent companies, extending from said last mentioned point on the boundary line between the States of Indiana and Illinois through the County of Cook to and into the City of Chicago in the State of Illinois, a distance of 10.45 miles.

The railroads described in this Group I are subject to the following mortgages, named in the order of priority of lien:

(*a*) From The New York, Chicago and St. Louis Railroad Company, one of the Lessor's constituent companies, to Central Trust Company of New York (now Central Union Trust Company of New York), trustee, dated October 1, 1887, known as The New York, Chicago and St. Louis Railroad Company's First Mortgage (and a supplement thereto dated March 1, 1923), and securing an authorized issue of $20,000,000 of 4% bonds, maturing October 1, 1937, certified by the trustee, of which $17,655,000 have been issued and are now ontstanding in the hands of the public, and $2,345,000 have been redeemed pursnant to the sinking fund provision of said mortgage. No further bonds may be issued under this mortgage.

(*b*) From The New York, Chicago and St. Louis Railroad Company, one of the Lessor's constituent companies, to The First Trust and Savings Company (Central National Bank Savings and Trust Company of Cleveland, successor trustee) and Walter J. Riley, trustees, dated May 1, 1918, known as The New York, Chicago and St. Louis Railroad Company's Second and Improvement Mortgage (and a snpplement thereto dated March 31, 1924). and securing an authorized issue of $25,000,000 of bonds, maturing May 1, 1931, of which $12,920,000, bearing interest at the rate of 6% per annum, had been issued and at the time of the delivery of said Refunding Mortgage were and are in the hands of the public, and $1,389,000, bearing interest at the rate of six

per cent. (6%) per annum, have been issued and are pledged with the Secretary of the Treasury of the United States to secure a loan of $1,000,000 to the said constituent company, and of which the remainder in excess of $14,309,000, or any thereof, hereafter may not be issued. This mortgage also secures, equally and ratably with said $14,309,000 of 6% bonds, an authorized issue of $10,000,000 of 4% gold debentures issued under and pursuant to an indenture by and between the said constituent company and Guaranty Trust Company of New York, dated March 28, 1906, maturing May 1, 1931, all of which have been issued and are now outstanding in the hands of the public.

Group II

The following railroads, aggregating 710.02 miles, subject in addition to said Refunding Mortgage to those certain mortgages hereinafter described:

1. The main line of railroad formerly owned by The Lake Erie and Western Railroad Company, one of the Lessor's constituent companies, extending from the City of Sandusky in the County of Erie, State of Ohio, through the counties of Sandusky, Seneca, Hancock, Allen, Auglaize and Mercer, in the State of Ohio, into and through the counties of Jay, Randolph, Delaware, Madison, Tipton, Clinton, Tippecanoe and Benton in the State of Indiana, into and through the counties of Vermilion, Ford, McLean, Tazewell, Woodford and Peoria in the State of Illinois to the City of Peoria in the State of Illinois, a distance of 412.77 miles.

2. The main line of railroad formerly owned by The Lake Erie and Western Railroad Company, one of the Lessor's constituent companies, extending from the City of Indianapolis, in the County of Marion, State of Indiana, into and through the counties of Hamilton, Tipton, Howard, Miami, Fulton, Marshall, St. Joseph and LaPorte to Michigan City, in the State of Indiana, a distance of 158.62 miles.

3. The branch line of railroad formerly owned by The Lake Erie and Western Railroad Company one of the Lessor's constituent companies, and known as the Minster Branch, extending from St. Marys to Minster, in the County of Auglaize in the State of Ohio, a distance of 10 miles.

4. The main line of railroad formerly owned by Fort Wayne, Cincinnati and Louisville Railroad Company, one of the Lessor's constituent companies, extending from the City of Fort Wayne in the County of Allen, in the State of Indiana, through the counties of Allen, Wells, Blackford, Delaware, Henry, Wayne and Fayette to and into the City of Connersville, in the State of Indiana, together with the branch line of railroad known as the Rushville Branch extending from Newcastle, in the County of Henry, through the counties of Henry and Rush to Rushville, in the County of Rush, in the State of Indiana, aggregating 128.63 miles.

The railroads described in this Group II are subject to the following mortgages, named in the order of priority of lien:

(*a*) From The Lake Erie and Western Railroad Company, one of the Lessor's constituent companies, to Central Trust Company of New York (now Central Union Trust Company of New York) and A. L. Mason of Indiana, trustees, dated February 21, 1887, known as The Lake Erie and Western Railroad Company's First Mortgage, and securing $7,250,000 of 5% bonds, maturing January 1, 1937, certified by the corporate trustee, all of which have been issued and are now outstanding in the hands of the public. No further bonds may be issued under this mortgage.

(*b*) From The Lake Erie and Western Railroad Company, one of the Lessor's constituent companies, to Central Trust Company of New York (now Central Union Trust Company of New York) and Robert C. Bell of Indiana, trustees, dated June 30, 1891, known as The Lake Erie and Western Railroad Company's Second Mortgage, and securing $3,625,000 of 5% bonds, maturing July 1, 1941, certified by the corporate trustee, all of which have been issued and are now outstanding in the hands of the public. No further bonds may be issued under this mortgage.

Group III

The following railroad, 449.71 miles in length, subject in addition to said Refunding Mortgage to those certain mortgages and liens hereinafter described:

The main line of railroad, 449.533 miles in length, formerly owned by Toledo, St. Louis and Western Railroad Company, one of the Lessor's constituent companies, extending from the City of Toledo, in the

County of Lucas, State of Ohio, into and through the counties of Wood, Henry, Putnam, Allen and Van Wert, in the State of Ohio, into and through the counties of Adams, Wells, Huntington, Grant, Howard, Clinton, Tippecanoe, Montgomery, Fountain, Parke and Vermillion, in the State of Indiana, and into and through the counties of Vermilion, Edgar, Douglas, Coles, Cumberland, Shelby, Fayette, Montgomery, Bond, Madison and St. Clair, in the State of Illinois, to the City of East St. Louis, in the County of St. Clair, in said State of Illinois, together with the undivided one-half interest formerly owned by the said constituent company in the right-of-way, track, approaches and bridges crossing the Mississinewa River and Second Street in the City of Marion, Grant County, Indiana, .177 miles in length.

The railroad described in this Group III is subject to the following mortgages and liens named in the order of priority of lien:

(*a*) A mortgage from Toledo, St. Louis and Western Railroad Company, one of the Lessor's constituent companies, to The Farmers' Loan & Trust Company, trustee, dated July 1, 1900, known as Toledo, St. Louis and Western Railroad Company's Prior Lien Mortgage (and supplements thereto dated May 1, 1904, November 1, 1905 and April 7, 1924), and securing an authorized issue of $10,000,000 of 3½% bonds, maturing July 1, 1925, certified by the trustee, of which $9,575,000 have been issued and are now outstanding in the hands of the public and $425,000 are deposited with the trustee under said Refunding Mortgage. No further bonds may be issued under this mortgage.

(*b*) A mortgage from Toledo, St. Louis and Western Railroad Company, one of the Lessor's constituent companies, to Colonial Trust Company (now The Equitable Trust Company of New York), trustee, dated July 1, 1900, known as Toledo, St. Louis and Western Railroad Company's First Mortgage (and supplements thereto dated June 1, 1904, and April 7, 1924), and securing an authorized issue of $16,500,000 of 4% bonds, maturing April 1, 1950, of which $6,500,000 have been certified by the trustee and are now outstanding in the hands of the public. No further bonds may be issued under said mortgage unless such additional bonds are immediately

pledged under said Refunding Mortgage.

(*c*) Certain liens established by court orders in the total amount of $520,000.

PARCEL SECOND

All and singular the titles, rights and interests, legal and equitable, vested in the Lessor at the date of said Refunding Mortgage in and to any and all tracts and parcels of real estate wherever situated, including particularly the lands described in the following indentures:

1. Deed from The Berg Land Company to the Lessor, dated February 29, 1924, and recorded in the office of the County Recorder of the County of Cuyahoga, State of Ohio, conveying approximately 15.239 acres, consisting of 103 parcels, of land situated in the City of Cleveland, Ohio.

2. Deed from The Ideal Land Company to the Lessor, dated February 29, 1924, and recorded in the office of the County Recorder of the County of Cuyahoga, State of Ohio, conveying approximately 6.99 acres, consisting of 42 parcels, of land situated in the City of Lakewood, Ohio, and approximately 1.01 acres, consisting of 3 parcels, of land situated in the City of Cleveland, Ohio.

3. Deed from The Union Trust Company to the Lessor, dated February 29, 1924, and recorded in the office of the County Recorder of the County of Cuyahoga, State of Ohio, conveying .166934 of an acre, consisting of a single parcel, of land situated in the City of Cleveland, Ohio.

4. Deed from The Union Trust Company to the Lessor, dated February 29, 1924, and recorded in the office of the County Recorder of the County of Cuyahoga, State of Ohio, conveying .577392 of an acre, consisting of a single parcel, of land situated in the City of Cleveland, Ohio.

5. Deed from The Union Trust Company to the Lessor, dated February 29, 1924, and recorded in the office of the County Recorder of the County of Cuyahoga, State of Ohio, conveying .135674 of an acre, consisting of a single parcel, of land situated in the City of Cleveland, Ohio.

6. Deed from The Union Trust Company to the Lessor, dated February 29, 1924, and recorded in the office of the County Recorder of the County of Cuyahoga, State of Ohio, conveying approximately

.1104 of an acre, consisting of a single parcel, of land situated in the City of Lakewood, Ohio, and approximately 2.82926 acres, consisting of 2 parcels, of land situated in the City of East Cleveland, Ohio.

7. Deed from The Union Trust Company to the Lessor, dated February 29, 1924, and recorded in the office of the County Recorder of the County of Cuyahoga, State of Ohio, conveying approximately 21.7572 acres, consisting of 49 parcels, of land situated in the City of Cleveland, Ohio; approximately 1.9126 acres, consisting of 3 parcels, of land situated in the City of East Cleveland, Ohio; approximately .266 of an acre, consisting of a single parcel, of land situated in the Village of Collinwood, Ohio, and approximately 2.6530 acres, consisting of 2 parcels, of land situated in the Village of Euclid, Ohio.

8. Deed from The Union Trust Company to the Lessor, dated February 29, 1924, and recorded in the office of the County Recorder of the County of Cuyahoga, State of Ohio, conveying approximately 3.327189 acres, consisting of 14 parcels, of land situated in the City of Cleveland, Ohio; approximately 2.0908 acres, consisting of 5 parcels, of land situated in the City of East Cleveland, Ohio, and approximately 2.9852 acres, consisting of 2 parcels, of land situated in the Village of Euclid, Ohio.

9. Deed from Frank B. Carpenter to the Lessor, dated February 29, 1924, and recorded in the office of the County Recorder of the County of Cuyahoga, State of Ohio, conveying approximately 10.8219 acres, consisting of 78 parcels, of land situated in the City of Cleveland, Ohio.

10. Deed from Frank B. Carpenter to the Lessor, dated February 29, 1924, and recorded in the office of the County Recorder of the County of Cuyahoga, State of Ohio, conveying approximately 8.676 acres, consisting of 12 parcels, of land situated in the City of Cleveland, Ohio; approximately .0385 of an acre, consisting of a single parcel, of land situated in the City of East Cleveland, Ohio; approximately 2.2145 acres, consisting of 8 parcels, of land situated in the Village of Rocky River, Ohio, and approximately .2764 of an acre, consisting of 2 parcels, of land situated in the City of Lakewood, Ohio.

11. Deed from Frank B. Carpenter to the Lessor, dated February 29, 1924, and recorded in the office of the Clerk of the County of Erie, State of New

York, conveying approximately 3.30937 acres, consisting of 2 parcels, of land situated in the City of Buffalo, New York.

12. Deed from Frank B. Carpenter to the Lessor, dated February 29, 1924, and recorded in the office of the County Recorder of the County of Lake, State of Ohio, conveying approximately .15082 of an acre, consisting of a single parcel, of land situated in the Village of Willoughby, Ohio.

13. Deed from The Northern Operating Corporation to the Lessor, dated Febrnary 29, 1924, and recorded in the office of the Clerk of the County of Erie, State of New York, conveying approximately 108.5486 acres, consisting of 18 parcels, of land situated in the Town of Hamburg, New York; approximately one (1) acre, consisting of a single parcel, of land situated in the Town of Hamburg and the Village of Blasdell, New York; approximately .257 of an acre, consisting of a single parcel, of land situated in the Township of Hamburg, New York; and approximately 8.695 acres, consisting of 2 parcels, of land situated in the City of Lackawanna and the Town of Hamburg, New York.

14. Deed to the Lessor, dated February 29, 1924, and recorded in the office of the Recorder of the County of Cook, State of Illinois, conveying approximately 431 acres, consisting of a single tract, of land formerly owned by Calumet and Chicago Canal and Dock Company, and situated in the City of Chicago, Illinois.

PARCEL THIRD

Appurtenances of the above described lines of railroad and of any and every line of railroad at any time subject to the lien of said Refunding Mortgage, now owned or which may hereafter be owned by the Lessor, including:

All telegraph and telephone lines, and rights to use the same, now existing or as the same may hereafter exist, all poles, wires and instruments, all right of ways, station and depot grounds, all tunnels, roadbeds, spurs, double tracks, turnouts, switches, sidings and turntables, all super-structures, bridges, stringers, ties, rails, frogs, chairs, bolts, splices, and other railroad appurtenances, all terminals and terminal properties, docks, wharves, ferries, landings and boats, all station houses, warehouses, freight houses, engine houses, car houses, water stations, water tanks, water supplies, water treating plants, coal

stations, timber treating plants, machine shops and other structures, all furniture, machines, tools, implements, materials and supplies, and any and all property, real and personal, of every kind and description now owned or hereafter acquired, appurtenant to the above described lines of railroad or to any line of railroad at any time subject to the lien of said Refunding Mortgage, and any and all corporate rights, privileges and franchises, which the Lessor now has or shall hereafter possess, acquire or exercise in, to, upon or in respect of such lines of railroad, necessary for or appertaining to the construction, maintenance or operation of such lines.

PARCEL FOURTH

Any and all lines of railroad, extensions and branches, telegraph and telephone lines, lines of transportation, heat, light and power plants and lines, including the franchises appurtenant thereto, and any and all bonds and stocks, and all other property and rights of every kind or description (notwithstanding that the same were not particularly set forth in said Refunding Mortgage), which the Lessor, in the exercise of its corporate powers as heretofore or hereafter granted or conferred, has acquired or constructed or may acquire or construct by the use of deposited cash paid out as in said Refunding Mortgage provided, or by the use of bonds secured by said Refunding Mortgage, except bonds (1) issued or to be issued under the provisions of Section 5 of Article Three of said Refunding Mortgage, and (2) issued or to be issued under the provisions of Section 6 or Section 7 of Article Three of said Refunding Mortgage, to reimburse the Lessor for and on account of moneys expended for the acquisition of property that shall have been subjected to the lien of said Refunding Mortgage or upon property that shall be subject thereto; together with all and singular the franchises, rights and privileges, now or hereafter owned by the Lessor, appurtenant to or used in connection with such lines of railroad, extensions, branches, telegraph and telephone lines, lines of transportation and properties.

PARCEL FIFTH

Subject to and with the right of the Lessor to be reimbursed for and on account of the cost or value thereof, as provided in Section 6 of Article Three of said Refunding Mortgage, any and all additions, betterments and improvements constructed or acquired by the Lessor subsequent to the date of said Refunding Mortgage upon or in connection with any and all lines of railroad, extensions, branches, telegraph and telephone lines, lines of transportation and other properties, subject to the lien of said Refunding Mortgage at the time of its execution or which thereafter have been or shall be subjected thereto.

PARCEL SIXTH

Any and all steam, electric, gasoline or other locomotives, engines, motors, cars and other rolling stock, vessels, boats, tugs, ferries and other equipment now or hereafter owned by, and the title to which is or hereafter shall be vested in, the Lessor and used upon or in connection with any of said lines of railroad, extensions, branches or other properties which, or the leases of which, are or shall be subject to the lien of said Refunding Mortgage, including all the right, title and interest now vested in or hereafter acquired by the Lessor in and to any and all locomotives and other rolling stock leased to or possessed by the Lessor under any equipment trust agreements, conditional sale agreements or other agreements.

PARCEL SEVENTH

All present or future leases of railroads, trackage rights and contracts, relating to the ownership, use or operation of any of the lines of transportation, extensions, branches, terminals and union stations, or any part thereof, subject to the lien of said Refunding Mortgage at the time of its execution, or to any other railroad track or property at any time subject to the lien of said Refunding Mortgage, and all renewals and extensions of any and all such present or future leases and trackage rights and contracts.

PARCEL EIGHTH

All and singular the right, title and interest of the Lessor in and to the following shares of capital stock, bonds, and other evidences of indebtedness pledged with and delivered to the Trustee under said Refunding Mortgage:

(1) Four (4) shares of the common capital stock of The Cleveland Union Terminals Company, of the par value of $400.

(2) Two hundred (200) shares of the common capital stock of The Fort Wayne Union Railway Company, of the par value of $20,000.

(3) Forty Thousand Dollars ($40,000), principal

amount, of the 5 per cent. debenture bonds of Peoria and Pekin Union Railway Company, maturing as follows: $6,000 on the first day of November in each of the years from 1924 to 1929, both inclusive, and $4,000 on November 1, 1930.

(4) Seventy-three Thousand Dollars ($73,000), principal amount, of the First Mortgage 4½ per cent. bonds of Toledo Terminal Railroad Company, due November 1, 1957.

(5) Ninety-three Thousand, Eight Hundred Dollars ($93,800), principal amount, of certificates of indebtedness of Toledo Terminal Railroad Company bearing interest at the rate of 5 per cent. per annum.

(6) Four Hundred and Sixteen Thousand Dollars ($416,000), principal amount, of the First Mortgage 4 per cent. bonds of Detroit and Toledo Shore Line Railroad Company, due January 1, 1953.

(7) Four Hundred and Twenty-five Thousand Dollars ($425,000), principal amount, of the Prior Lien 3½ per cent. bonds of Toledo, St. Louis and Western Railroad Company.

Also all and singular the right, title and interest of the Lessor in and to the shares of capital stock, bonds and other evidences of indebtedness which are now, or which hereafter may be, pledged under any of the prior mortgages hereinbefore referred to.

PARCEL NINTH

Any and all property of every name and nature (including stocks, bonds or other securities or indebtedness) from time to time after the date of said Refunding Mortgage, by delivery or by writing of any kind for the purposes thereof conveyed, mortgaged, pledged, assigned or transferred by the Lessor, or by anyone in its behalf, to the trustee, who is authorized to receive any property at any time and all times, as and for additional security, and, also, when and as in said Refunding Mortgage provided, as substituted security, for the payment of bonds issued or to be issued thereunder, and to hold and apply any and all such property subject to the terms thereof.

PARCEL TENTH

All the rents, issues, profits, tolls and other income of the lines of transportation, terminals and other property now or at any time hereafter subject to the lien of said Refunding Mortgage.

SUBJECT, HOWEVER, to the lien of said Refunding Mortgage and as to the properties severally embraced therein or subject thereto, to the several prior liens, mortgages and rights hereinbefore mentioned and, as to the properties covered thereby, to be mentioned in any indenture supplemental to said Refunding Mortgage, and to all other existing rights, liens, charges and claims of record upon and against the railroads, properties and franchises thereby conveyed and mortgaged;

SUBJECT, ALSO, to the condition that nothing herein or in said Refunding Mortgage is intended or shall be construed to limit the right or power of the Lessor, which are hereby expressly reserved, hereafter to construct or in any manner acquire, free from the lien of said Refunding Mortgage and free from this lease and any effect thereof, lines of railroad, branches, extensions, connections, cut-offs, terminals, terminal railroads, terminal lands, or other terminal facilities or properties, stocks, bonds, or other securities, or any other property, real or personal, or interests therein, which shall not be necessary to the operation of the lines of railroad mortgaged under said Refunding Mortgage as a going railroad system, unless bonds shall be authenticated and delivered or deposited cash paid out against the same, as in said Refunding Mortgage provided, other than bonds (1) issued or to be issued under the provisions of Section 5 of Article Three of said Refunding Mortgage, and (2) issued or to be issued under the provisions of Section 6 or Section 7 of Article Three of said Refunding Mortgage, to reimburse the Lessor or its successors under said Refunding Mortgage for or on account of moneys expended for the acquisition of property that shall have been subjected to the lien of said Refunding Mortgage or upon property that shall be subject thereto.

It is the true intent and purpose of these presents that the Lessor has leased and does hereby grant, demise and lease unto the Lessee all of the property mortgaged under said Refunding Mortgage, subject to the continuing prior lien of said Refunding Mortgage, and to all the provisions thereof, and to termination by the trustee thereunder in case of the happening of any event of default or by the purchaser at any sale of the mortgaged premises made in enforcement of said Refunding Mortgage and that this lease shall not impair the lien and security of said Refunding Mortgage or any of the rights or powers thereunder of the trustee or of the holders of the bonds thereby

secured, and that the due and punctual payment of the principal and interest of all the bonds thereby secured, according to their tenor, and the due and punctual performance and observance of all the covenants and conditions of said Refunding Mortgage, and of any and all supplements thereto, are and shall be expressly assumed by the Lessee. And in case the Lessee by an indenture entered into with the trustee under said Refunding Mortgage, to which the Lessor shall be a party, shall have assumed the due and punctual payment of the principal and interest of the bonds thereby secured and the performance of all the covenants and conditions of said Refunding Mortgage and of any and all supplements thereto, the Lessee shall succeed to and be substituted for the Lessor as the party of the first part to said Refunding Mortgage with the same effect as if the Lessee had been named therein as such party of the first part and with all the powers in such case in said Refunding Mortgage provided, and the Lessor will join in such indenture.

B. ALL OTHER PROPERTIES, WITH CERTAIN EXCEPTIONS, WHICH ARE NOT MORTGAGED UNDER LESSOR'S REFUNDING MORTGAGE

All other railways, lines of railway, extensions, branches and bridges, lands, equipment (including floating equipment), rolling stock, property, rights, and generally all property, real and personal, including stocks, bonds, obligations and indebtedness, rights, privileges and franchises owned by the Lessor at the effective date of this lease, excepting:

(*a*) All of the capital stock, both common and preferred, of the Lessor, held or to be held by the Lessor in its treasury, as shown in Statement A, pages 5 and 6, of a certain Proposal, dated August 20, 1924, by O. P. and M. J. Van Sweringen for the unified control and operation of the railroads of the Lessor and of The Chesapeake and Ohio Railway Company, The Hocking Valley Railway Company, Erie Railroad Company and Pere Marquette Railway Company, and the proceeds of any and all such stock;

(*b*) 155,000 shares of the common capital stock of The Chesapeake and Ohio Railway Company and the stock of the Lessee issued or to be issued in exchange therefor, as stated in said Statement A, page 6, of said Proposal, and the proceeds of any and all such stock or stocks; and

(*c*) 120,000 shares of the Common capital stock of Pere Marquette Railway Company and the stock of the Lessee issued or to be issued in exchange therefor, as stated in said Statement A, page 6, of said Proposal, and the proceeds of any and all such stock or stocks.

All the corporate rights, franchises and privileges of the Lessor necessary to be enjoyed and exercised by the Lessee for the proper maintenance and use, operation and management of the leased properties, including the right to fix and establish from time to time and to collect, receive and appropriate to the Lessee's own use all tolls, rates and charges for the transportation of persons, property and mails not inconsistent with the requirements of such existing or hereafter enacted laws, federal or state, as may be constitutionally enforceable, and also the right to collect, receive and appropriate to the Lessee's own use all other income and revenue of every kind and description, of and from the leased properties; *provided, however,* that nothing herein contained shall be deemed or in any manner taken to effect a dissolution, or to affect the corporate existence of the Lessor, or shall operate to grant or demise, or be construed to include, the franchise to be a corporation possessed by the Lessor, or any other right, privilege or franchise of the Lessor which is, or may be, necessary to enable the Lessor to carry out the provisions of this lease, or to fully preserve the corporate existence and organization of the Lessor; and its said franchise to be a corporation, and all the rights, privileges and franchises requisite for the preservation of its corporate existence and organization, and for the proper performance by the Lessor of the terms of this lease, are hereby expressly reserved and excepted from this lease.

All property commonly known as current assets (except as provided in the next paragraph following), including cash on hand or deposited in banks, special deposits, time deposits, notes, accounts and bills receivable, obligations of the United States of America, materials and supplies on hand or in transit, prepaid insurance premiums, discounts prepaid upon bills payable, prepaid taxes and all other prepayments, traffic and car service balances receivable, net balances receivable from agents and conductors and interest and dividends receivable.

All other property of the Lessor, real, personal and mixed, of whatsoever kind and wheresoever situated,

owned by the Lessor at the effective date of this lease, excepting the shares of stock of The Chesapeake and Ohio Railway Company, Pere Marquette Railway Company and the Lessee hereinbefore excepted and excepting also

(1) the books and records of the Lessor (other than those relating to the operation and accounts of the leased properties, which shall be turned over to the Lessee);

(2) deposits for the payment of dividends upon the shares of the outstanding capital stock and for the payment of interest upon the outstanding bonds and other obligations of the Lessor; and

(3) the payments to be made by the Lessee to and for account of the Lessor under this lease, and the rights of the Lessor against the Lessee arising out of this lease or out of the covenants and agreements of the Lessee herein contained.

TO HAVE AND TO HOLD the leased properties and their appurtenances, together with the proceeds, rents, issues and profits thereof, unto the Lessee, its successors and assigns, for its and their own proper use and benefit, from the day of , 1925, for the term of Nine Hundred and Ninety-nine (999) years then next ensuing; *subject, however,* to all existing mortgages and other liens upon and trusts affecting the leased properties or any part thereof, and to all valid contracts, agreements and covenants relating thereto or to any part thereof, and, to the full extent to which the leased properties are now so subject, to the Lessor's entire funded and other debts, obligations and liabilities, fixed and contingent; the Lessee, its successors and assigns, yielding and paying therefor to or for account of the Lessor, its successors and assigns, at the times and in the manner hereinafter provided, the amounts hereinafter specified, and keeping and performing all and singular the covenants and agreements hereinafter set forth to be kept and performed by the Lessee.

And it is hereby further mutually convenanted and agreed by and between the parties hereto as follows:

ARTICLE ONE

CAPITAL STOCK OF LESSOR AND LESSEE

SECTION 1. The Lessor covenants that it has an authorized capital stock of One Hundred Five Million Five Hundred Thousand Dollars ($105,500,000), divided into

One Million Fifty-five Thousand (1,055,000) shares of the par value of One Hundred Dollars ($100) each, consisting of Four Hundred Fifty-eight Thousand Eight Hundred (458,800) shares of Preferred Stock, of which Two Hundred Fifty-eight Thousand Six Hundred Fifty-six and sixty-six hundredths (258,656.66) shares have been issued and are outstanding in the hands of the public and Sixty-eight Thousand Five Hundred Forty-three and thirty-four hundredths (68,543.34) shares have been issued and fully paid for but are held in the treasury of the Lessor and the remainder, or One Hundred Thirty-one Thousand Six Hundred (131,600) shares, has not been issued; and of Five Hundred Ninety-six Thousand Two Hundred (596,200) shares of Common Stock of which Three Hundred Four Thousand Sixty-four and sixty-four hundredths (304,064.64) shares have been issued and are outstanding in the hands of the public and One Hundred Fifty-eight Thousand Four Hundred Fourteen and thirty-six hundredths (158,414.36) shares have been issued and fully paid for but are held in the treasury of the Lessor and the remainder, or One Hundred Thirty-three Thousand Seven Hundred Twenty-one (133,721) shares, has not been issued.

The amounts of stock of the Lessor shown as issued include the following amounts in par value carried as Stock Liability for Conversion which will be actually outstanding or in treasury when exchanges are completed under the Agreement and Articles of Consolidation, dated December 28, 1922, creating the Lessor:

Preferred		Common	
Outstanding	In Treasury	Outstanding	In Treasury
$103,565	$12,635	$133,870	$72,030

Section 2. The Lessee covenants that it has an authorized capital stock of Three Hundred Forty-five Million Dollars ($345,000,000) divided into Three Million Four Hundred Fifty Thousand (3,450,000) shares of the par value of One Hundred Dollars ($100) each, of which One Million Five Hundred Fifty Thousand Five Hundred (1,550,500) shares are six per cent. (6%) cumulative preferred stock, Series "A" (hereinafter called Preferred Stock, Series "A", of the Lessee), and One Million Eight Hundred Ninety-nine Thousand Five Hundred (1,899,500) shares are Common Stock. Of said authorized capital stock of the Lessee there remains unissued a sufficient number of shares of Preferred Stock, Series "A", and of Common Stock of the Lessee for the purposes set forth in Article Two of this lease which the Lessee is duly authorized to issue for such purposes.

ARTICLE TWO

Covenants of Lessee

The Lessee covenants with the Lessor as hereinafter in this Article Two set forth:

Section 1. To pay, issue and turn over to the Lessor, shares of the Lessee's capital stock with all rights and powers as of and from the ..... day of ...., as follows:

Two hundred Fifty-Eight Thousand Six Hundred Fifty-six (258,656) shares of Preferred Stock, Series "A," of the Lessee, of the aggregate par value of Twenty-five Million Eight Hundred Sixty-five Thousand Six Hundred Dollars ($25,865,600), and

Three Hundred Four Thousand Sixty-four (304,-064) shares of Common Stock of the Lessee of the aggregate par value of Thirty Million Four Hundred Six Thousand Four Hundred Dollars ($30,406,400)

and to issue to the Lessor certificates of ownership for fractional shares of stock representing:

Sixty-six One Hundredths (.66) of a share of Cumulative Preferred Stock, Series "A", of the Lessee, and

Sixty-four One Hundredths (.64) of a share of Common stock of the Lessee.

Such certificates of ownership for fractional shares shall provide that, when certificates for fractions of shares of stock equal to one or more whole shares shall be presented and surrendered to the Lessee, a certificate for a full share or full shares of its stock, equivalent in amount to the aggregate of such fractions of shares, shall be issued in place thereof, but fractions of shares shall not be entitled to any interest or dividends, nor shall any holder thereof be entitled to vote thereon at any meeting of the Lessee's stockholders or to notice of any such meeting.

The certificates for said Two Hundred Fifty-eight Thousand Six Hundred Fifty-six (258,656) shares of Cumulative Preferred Stock, Series "A", of the Lessee, and for said Three Hundred Four Thousand Sixty-four (304,-064) shares of Common Stock of the Lessee, and said certificates of ownership for fractional shares of stock representing, respectively, Sixty-six One Hundredths (.66) of a share of Cumulative Preferred stock, Series "A", of the Lessee and Sixty-four One Hundredths (.64) of a share of the Common Stock of the Lessee, shall be delivered by the Lessee to the Lessor immediately upon the execution and delivery of this indenture or as soon thereafter as authorized by proper governmental authority.

Section 2. (A) To give notice of this lease, within sixty (60) days after the execution and delivery hereof, to each and every holder of a share or shares of the capital stock of the Lessor who shall not theretofore, by vote or otherwise, in person or by proxy, as to his said share or shares, have assented to this lease. Such notice shall be in writing, and shall set forth this Section in full, and a copy thereof shall be mailed to each of such stockholders, hereinafter in this Section referred to as "non-assenting stockholders", at his last-known post office address as shown by the records of the Lessor, or, in case no such address shall be so shown, then in care of the Lessor's secretary.

(B) To pay in cash to, or deposit in cash with to the credit of, each non-assenting stockholder who shall be dissatisfied with this lease and who shall, at any time within sixty (60) days from the date of the mailing of the notice provided for in part (A) of this Section, signify his dissent and demand payment, pursuant to the provisions of this part (B) of this Section, for his non-assenting share or shares, by notice in writing signed by him and delivered to the Lessee's secretary, upon the surrender and transfer of the certificate or certificates representing his said non-assenting share or shares as hereinafter provided, and in full compromise, settlement and adjustment of all his claims, rights and objections in the premises, and if, but not unless, this lease shall have continued and shall then be in full force and effect, the average market value (determined as hereinafter provided) of his said non-assenting share or shares for the six months next preceding the day of the meeting of stockholders of the Lessor at which this lease was approved, to wit....., 1925, without regard to any depreciation or appreciation in consequence of this lease, together with interest on such value at the rate of six per centum (6%) per annum from the effective date of this lease to the date of the pay-

ment of the amount of such value and interest to said stockholder, or of the deposit thereof to his credit; *provided, however,* that if the market prices, or any of them, during said period were or shall be abnormally enhanced or depressed in contemplation of this lease or otherwise, evidence other than proof of market sales during that period may be resorted to for the purpose of showing such average market value. After so signifying his dissent and demanding payment, the non-assenting stockholder may not recant his action in this regard or assert any right or avail himself of any remedy whatever except as in this part (B) of this Section provided. If any such non-assenting stockholder and the Lessee cannot agree as to such average market value, computed under the terms and conditions above provided, it shall be determined and fixed, pursuant to said terms and conditions, by three appraisers to be appointed, upon application and notice as hereinafter provided, by the Interstate Commerce Commission or in such manner as said Commission may provide, or, in case said Commission shall fail within thirty (30) days after such application either to appoint such appraisers or to provide the manner of their appointment, then to be appointed by a Judge of the United States District Court for the Northern District of Ohio.

Any such application may be made either by said non-assenting stockholder or by the Lessee within the times following:

(1) To the Interstate Commerce Commission, within thirty (30) days after said non-assenting stockholder shall have so signified his dissent and demanded payment;

(2) In case said Commission shall fail or refuse to act within thirty (30) days after such application, then, within thirty (30) days thereafter, to said United States District Judge;

and the applying party shall give to the other party at least ten (10) days' written notice of each such application, which notice must specify the time when and the place where such application will be made; but if, at the expiration of any such period of thirty (30) days, the person in whose name said share or shares shall stand on the books of the Lessor shall not be living or shall be under any disability, his executor, administrator, guardian, committee, conservator, or other proper representative, as the case may be, shall be entitled to make such application within thirty (30) days thereafter upon like

notice. If said Judge shall fail within thirty (30) days after such application to him to appoint such appraisers, then such average market value, computed under the terms and conditions above provided, shall be determined and fixed, pursuant to the said terms and conditions, by an appraiser selected and designated for the purpose by the non-assenting stockholder, and an appraiser selected and designated for the purpose by the Lessee, and a third appraiser to be chosen by these two.

Any vacancy in the board of appraisers occurring by refusal or failure to serve, or otherwise, shall be filled by the remaining member or members of the board.

The appraisers shall be entitled to reasonable compensation for their services and to reimbursement for their necessary and reasonable expenses, and such compensation and expenses shall be paid by the Lessee.

The appraisers shall meet at a time and place to be selected by them and of which ten (10) days' written notice shall be given by them to each party, and, after being duly sworn honestly and faithfully to discharge their duties, they, or any two of them, shall estimate and certify such average market value and deliver one copy of their appraisal to each party. Their appraisal, or that of any two of them, shall be final and conclusive upon both parties.

When the Lessee shall have paid to said non-assenting stockholder the amount of such value, whether determined and fixed by agreement or by appraisal, as aforesaid, together with interest thereon, as hereinbefore provided, or shall have deposited the same to his credit with said non-assenting stockholder shall cease to have any title to or interest in said share or shares or in the property of the Lessor, and all such title and interest shall pass to and vest in the Lessee.

As an express condition precedent to receiving payment or withdrawing such deposit said non-assenting stockholder shall deliver to the Lessee or, in case such deposit shall have been made with said , then to said , his said non-assenting share or shares and the certificate or certificates representing the same, duly endorsed in blank for transfer or accompanied by proper instruments of transfer executed in blank, and said share or shares, together with

all rights and interests thereunto belonging and appertaining, including all cash, securities and other benefits accruing to said share or shares from or by reason of this lease, or otherwise, shall thereupon become and be the property of the Lessee.

(C) To buy and pay for, in such amount and manner, the non-assenting share or shares of any such non-assenting stockholder who shall not have elected to make settlement pursuant to the foregoing part (B) of this Section, as may be finally ordered, adjudged, decreed or determined by the order, judgment, decree or determination of any court, commission or other tribunal, state or federal, of competent jurisdiction, and to hold the Lessor, its directors, officers, agents and employees, harmless against any payment, claim or liability which may be so ordered, adjudged, decreed or determined; *provided, however,* that the Lessee shall have the right, which is hereby expressly reserved, to remove, pursuant to the statutes in such case made and provided, any action, suit or proceeding instituted by said stockholder, from the court or tribunal in which same shall be pending to any other court or tribunal, state or federal, and to procure the review or enjoin the enforcement of any such order, judgment, decree or determination either by appeal, writ of error, certiorari, suit in equity or otherwise, pursuant to law and the statutes in such case made and provided, by any court or tribunal, state or federal, having jurisdiction to review or enjoin the enforcement of the same; and *provided, further,* that nothing herein contained shall require the Lessee to buy any such share or shares or to make any such payment as long as the Lessee in good faith and by appropriate legal proceedings shall contest the validity of or seek to review any such order, judgment, decree or determination, and that nothing in this Section shall be construed to create any right, obligation or presumption in favor of any non-assenting stockholder or any other person who shall not elect, subscribe to and be governed by the provisions of said part (B) of this Section, it being the true intent and purpose of all provisions of this Section in respect of non-assenting stockholders that no covenants, agreements or arrangements herein shall be construed as creating any right against or obligation on the part of the Lessee or the Lessor, or any presumption of any such right or obligation, except as in part (B) of this Section expressly provided, and except the contingent obligation of the Lessee to the Lessor provided in this part (C) of this Section. Except where non-

assenting stockholders shall accept and elect and be governed by the provisions of part (B) of this Section, the Lessee shall be free to deny or contest in good faith not only the amount but the fact of any liability to dissenting or non-assenting stockholders, and to any or all classes of such stockholders.

(D) Anything hereinbefore in this Section to the contrary notwithstanding, no non-assenting stockholder of the Lessor who shall, separately or in conjunction with any other stockholder or stockholders of the Lessor, either in his or their own name or names, or otherwise, institute or cause to be instituted, or voluntarily become, by intervention or otherwise, a party to, any action, suit or other proceeding in or before any court, commission or tribunal, state or federal, for the purpose of enjoining or otherwise preventing the authorization, approval, execution or delivery of this lease, or of voiding or setting aside this lease, or of recovering the value of his or their share or shares of stock of the Lessor or of asserting any claim or objection in respect thereof except as provided by part (B) of this Section, shall have any rights, privileges or powers whatsoever under this Section, it being the true intent and purpose of all of the provisions of this Section in respect of non-assenting stockholders that any such stockholder who shall be dissatisfied with this lease shall irrevocably elect the exclusive right or remedy under part (B) of this Section which he shall desire to assert or invoke in the premises or be remitted to the remedies, if any, provided by law.

SECTION 3. (A) To pay to or upon the written order of the Lessor, on the first day of each month during the continuance of this lease, such sums as may from time to time be necessary to maintain and preserve the corporate existence of the Lessor, with such organization as may be necessary for the purposes of the Lessor under this lease; also such sums as will enable the Lessor to provide for and pay all necessary expenses and disbursements in connection with any and all acts, steps or things required to be done by or on behalf of the Lessor pursuant to any of the provisions of this lease or required by law or by any public authority. The amounts so to be paid shall be determined by agreement between the boards of directors of the Lessor and the Lessee and shall remain in force until changed by said boards of directors. In case of disagreement the matter shall be referred to arbitration in the manner provided in Article Eight of

this lease, and the Lessor and the Lessee shall abide by the result of such arbitration.

(B) To establish with the Lessor, upon the effective date of this lease, a working fund in an amount which shall not, without the consent of the Lessee, exceed $. Such working fund and all interest thereon or proceeds therefrom shall be and shall remain at all times the property of the Lessee and shall be repaid by the Lessor to the Lessee at the expiration of this lease or, at the option of the Lessor, prior to such expiration, and such earlier repayment may be either in whole or in part. The Lessor shall have the right to use such working fund or any part thereof necessary for either or both of the following purposes:

(1) For the pament, upon the established dividend dates of the Lessor, of dividends upon the outstanding shares of the capital stock of the Lessor (other than upon stock of the Lessor owned by the Lessee and registered in its name or in the name of its nominee) in anticipation of the receipt from the Lessee, within the next three months following, of dividends (sufficient for such dividends of the Lessor) upon the stock issuable to the Lessor under the provisions of Section 1 of this Article, *provided* (*a*) that no dividends from such working fund shall be paid at a rate in excess of six per centum (6%) per annum upon the Preferred Stock of the Lessor or at a rate in excess of six per centum (6%) per annum upon the Common Stock of the Lessor; and (*b*) that the Lessor shall, upon the receipt by it of dividends upon the stock issuable to the Lessor under the provisions of said Section 1, forthwith reimburse said working fund with the amount by which such fund shall have been depleted by reason of dividend payments by the Lessor therefrom.

(2) For the payment of the expenses provided for in part (A) of this Section 3, in anticipation of the receipt by the Lessor of payments from the Lessee for such expenses as provided in said part (A). The Lessor shall, upon the receipt by it of payments for such expenses as provided in said part (A), from time to time forthwith reimburse said working fund with the amount by which such fund shall have been depleted by reason of payments for expenses by the Lessor therefrom.

If at any time or from time to time during the continuance of this lease it should become apparent that the working fund as initially established is larger than the Lessor shall reasonably require for the purposes aforesaid, the Lessor agrees to repay to the Lessee at that time such amount as shall not then be necessary for such purposes. If at any time thereafter it should become apparent that the working fund as so reduced is insufficient for such purposes of the Lessor, the Lessee shall re-establish the fund, temporarily or for such periods as may be required, to the extent necessary for such purposes, but not exceeding the amount above specified.

SECTION 4. From time to time, to pay and discharge, or to cause to be paid and discharged, as and when the same become due and payable, all lawful taxes, assessments and governmental charges which, prior to the effective date of this lease, may have been lawfully levied, imposed or assessed upon the Lessor or upon the leased properties or upon or in respect of the earnings or income of the Lessor or of the leased properties, or which, during the continuance of this lease, may be lawfully levied, imposed or assessed upon the Lessor by reason of its ownership of the leased properties, or upon the leased properties, or upon the companies or properties of companies controlled by the Lessor and which then may be operated by the Lessee as part of the Lessor's transportation system, or upon or in respect of the earnings or income of the leased properties or of any such companies or their properties, or upon the Lessor by reason of or in connection with the receipt by the Lessor from the Lessee of the shares of capital stock of the Lessee to be issued to the Lessor pursuant to Section 1 of Article Two of this lease or the ownership of such stock by the Lessor or upon the income derived by the Lessor from such stock, or upon or in respect of the amounts payable by the Lessee under this lease, including specifically, but without in any manner limiting the foregoing, all income and/or excess profits taxes so levied, imposed or assessed by the United States or by any state thereof or by the Dominion of Canada or by any province thereof or by any other foreign country, but not including any tax or taxes payable by any stockholder of the Lessor or, in respect of any such controlled companies, by any stockholder, other than the Lessor, of any such controlled company

Any tax or taxes which may be levied, assessed or imposed upon the Lessor, during the continuance of this lease, other than those above provided for, and which shall

be fairly attributable in part to the business and property of the Lessor not covered by or connected with this lease and in part to the business or property of the Lessor covered by or connected with this lease shall be borne by the Lessor and the Lessee, respectively, in such equitable proportions as shall be agreed upon by their boards of directors, or, in case of disagreement, as may be determined by arbitration in the manner provided in Article Eight of this lease.

With the consent of the board of directors of the Lessor, the obligation of this Section 4, with respect to such controlled companies of the Lessor, may cease and determine in whole or in part.

SECTION 5. From time to time, to pay, or to cause to be paid, as and when such interest shall become due and payable, amounts equal to all interest which during the continuance of this lease may become due and payable (1) upon any and all bonds, notes and other obligations and evidences of indebtedness heretofore issued, incurred or assumed by the Lessor and now outstanding, and (2) upon any and all other bonds, notes and other obligations and evidences of indebtedness which may at any time hereafter be issued by the Lessor as provided in Section 4 of Article Four of this lease. Such payments at the option of the Lessee may be made either to the Lessor or to the obligees of such securities.

SECTION 6. From time to time to pay or to cause to be paid, as and when the same become due and payable, all rentals and other charges which, during the continuance of this lease, may become due and payable under any lease or any traffic, trackage or other operating contract, or under any other contract of whatsoever kind, heretofore entered into or assumed or accepted by the Lessor and now in force, or which may at any time hereafter be entered into by the Lessor with the approval of the Lessee; *provided, however,* that the Lessee shall have the right, subject to the provisions of existing mortgages, to secure the modification, amendment or abrogation of any such lease or of any such traffic, trackage, operating or other contract in any proper or lawful way and to use the name and powers of the Lessor for any such purpose; and *provided further,* that the general integrity and continuity of the transportation system of the Lessor shall not in any event be impaired thereby without the consent of the Lessor's board of directors.

SECTION 7. To insure and keep insured, during the continuance of this lease, the buildings and other structures, rolling stock and other equipment (including floating equipment), tools and machinery and all other property appurtenant to the leased properties usually insured by railway companies and in the same manner and to the same extent, and to cause each of the companies controlled by the Lessor to insure and keep insured, during the continuance of this lease, the property of such company usually insured by companies of like character, and in the same manner and to the same extent.

With the consent of the board of directors of the Lessor, the obligation of this Section 7 may cease and determine in whole or in part.

SECTION 8. To keep, perform and observe, or to cause to be kept, performed and observed, during the continuance of this lease, all the valid covenants, terms and conditions to be kept, performed and observed by the Lessor contained in any and all mortgages, trust agreements, leases and traffic, trackage and other operating contracts, and under any other contracts of whatsoever kind heretofore entered into or assumed or accepted by the Lessor and now in force, or which may at any time hereafter be entered into by the Lessor with the approval of the Lessee, as provided in Section 6 of Article Four hereof, as fully as the Lessor is bound to keep, perform and observe the same; *provided, however,* that the Lessee shall have the right, subject to the provisions of existing mortgages, to secure the modification, amendment or abrogation of any such lease, or of any such traffic, trackage, operating or other contract in any proper and lawful way and to use the name and powers of the Lessor for any such purpose; and *provided, further,* that the general integrity and continuity of the transportation system of the Lessor shall not in any event be impaired thereby without the consent of the Lessor's board of directors.

SECTION 9. To pay, satisfy and discharge, or to cause to be paid, satisfied and discharged, duly and punctually, all current obligations and liabilities of the Lessor existing at the effective date of this lease.

SECTION 10. To indemnify and save harmless the Lessor and companies whose properties are operated by the Lessee as part of the Lessor's transportation system of and from any and all losses, expenses, costs, damages, claims and demands whatsoever existing at the effective

date of this lease or which at any time during the continuance of this lease may arise out of the operation or maintenance of the leased properties, or of the properties of companies whose properties are operated by the Lessee as part of the Lessor's transportation system, or any part thereof, or by reason of any omission on the part of the Lessee, its agents or employees, to perform any duty, act or thing required by law or by this lease to be performed in or about the maintenance or operation of the same; and, generally, in respect of the leased properties and the maintenance, management and operation thereof during the continuance of this lease, to observe, perform and fulfill all duties and obligations which now rest or may hereafter be imposed upon the Lessor or companies whose properties are operated by the Lessee as part of the Lessor's transportation system under or by virtue of law or otherwise to the same extent and effect as the Lessor or such companies would be compelled to observe, perform and fulfill such duties and obligations if this lease had not been made; and to defend, without expense to the Lessor or such companies, any and all actions, suits and proceedings now pending, or which during the continuance of this lease shall be brought, against the Lessor or such companies upon causes of action accruing prior to the effective date of this lease or as the result of anything done by the Lessee or at the Lessee's request during the continuance of this lease.

SECTION 11. To maintain, keep and preserve, at all times during the continuance of this lease, in as good state and condition as when received, and at its own proper cost and without expense to the Lessor, all of the physical properties hereby leased and, during the period that such properties shall be operated by the Lessee, all of the physical properties of companies controlled by the Lessor and which at the time may be operated by the Lessee as part of the Lessor's transportation system, except such parts thereof as may be sold or otherwise disposed of, abandoned or retired as in this lease provided; and to comply with all valid orders of public authorities in connection with the operation and maintenance of such properties. Whenever during the continuance of this lease any of the rolling stock or other equipment (including floating equipment) turned over to the Lessee under this lease, or any replacement thereof, shall be damaged or destroyed or shall otherwise become unfit for the use for which it was intended, the Lessee

at its own cost and expense shall cause the same to be repaired, renewed, replaced or rebuilt, or, if such repair, renewal, rebuilding or replacement in kind shall in the opinion of the Lessee be inexpedient, then the Lessee shall replace such rolling stock or other equipment (including floating equipment) with other rolling stock or other equipment (including floating equipment) of a value equal to the value, at the effective date of this lease, of that not so replaced in kind, and all such new rolling stock and other equipment (including floating equipment) shall thereupon be and become the property of the Lessor but subject to this lease, and the Lessee shall not be entitled to be reimbursed by the Lessor for the cost of any such repair, renewal, rebuilding or replacement. If during the continuance of this lease, any part or parts of the physical properties hereby leased or of the physical properties of companies controlled by the Lessor and which at the time may be operated by the Lessee as a part of the Lessor's transportation system, other than rolling stock and other equipment (including floating equipment), shall be sold or otherwise disposed of, abandoned or retired by the Lessee, the Lessee shall account to the Lessor at the termination of this lease for the original cost (estimated, if not known) of the same.

SECTION 12. To furnish annually to the Lessor, on or before May 1 in each year, commencing May 1, 1926, a detailed list of rolling stock and other equipment (including floating equipment) owned by the Lessor and leased to the Lessee on the preceding December 31, showing the number of units, capacity, tractive effort and book value thereof.

SECTION 13. To permit the Lessor from time to time, but not oftener than once in any twelve (12) months, to make such reasonable inspection of the leased properties and of the books and records of the Lessee relating thereto as the Lessor shall desire.

SECTION 14. To operate and develop, or to cause to be operated and developed, to its best ability, by itself or through others, the leased properties at all times during the continuance of this lease.

SECTION 15. At the expiration or termination (otherwise than as provided in Article Five) of this lease, to return to the Lessor the leased properties received by the Lessee, with such extensions, improvements, additions

and betterments as shall have been made thereto, subject to the provisions of Article Seven hereof.

ARTICLE THREE

Covenants of the Lessor

The Lessor covenants with the Lessee as hereinafter in this Article Three set forth:

Section 1. To preserve, or extend, or renew, and maintain, during the continuance of this lease, to the extent of its rights and powers, its corporate existence, with such organization as may be necessary for its purposes under this lease, and, to that end, from time to time to comply with whatever is or may be required of it by law, and to take all necessary proceedings for that purpose.

Section 2. At any and all times during the continuance of this lease, upon the written request and at the expense of the Lessee, to exercise and put in force each and every corporate power and franchise and do each and every corporate act necessary, proper or desirable to carry out the provisions of this lease and to enable the Lessee to avail itself of and to use, exercise and enjoy the leased properties, and the proceeds, rents, issues and profits thereof, and the rights, powers, privileges and franchises hereby granted in respect thereof; and, to the extent of its rights and powers, to execute, acknowledge and deliver to the Lessee such other and further instrument or instruments in writing, and under the corporate seal of the Lessor, as may be necessary, proper or desirable better and more effectively to confirm and secure to the Lessee, its successors and assigns, the leased properties, and the proceeds, rents, issues and profits thereof, upon the terms and conditions in this lease expressed or intended and so to carry into effect the intent and meaning of this lease in relation thereto.

Section 3. At any time and from time to time during the continuance of this lease, upon the written request and at the expense of the Lessee, to take all such lawful and proper measures and proceedings and do and perform, to the extent of its rights and powers, such lawful acts and things, as may be necessary, proper or desirable for the acquisition or procurement, by condemnation or otherwise, of any land, properties, privileges or franchises needed for or useful in the operation of the leased properties, or in connection therewith, or as

may be necessary, proper or desirable to facilitate in any respect the increase, completion or improvement thereof, or of their capacity, by extension, enlargement, addition, or otherwise, or the more convenient, safe or profitable use or operation thereof, or for the protection and preservation of the same and of the rights and franchises connected therewith, or for maintaining the Lessee in the full and free enjoyment, during the continuance of this lease, of the leased properties and their appurtenances and proceeds and said rights and franchises.

Section 4. If hereafter it shall appear to the Lessee that the line or lines, route or routes, grade or grades of the railroads of the Lessor's transportation system, as theretofore adopted, or any of them, can, by a change thereof, be improved (provided always that the general integrity and continuity of the transportation system of the Lessor shall in no event be impaired without the consent of the board of directors of the Lessor), to take or cause to be taken from time to time, to the extent of its rights and powers, upon the written request and at the expense of the Lessee, such proceedings as may be deemed necessary by the Lessee for that purpose and to acquire, as hereinbefore provided, any and all additional lands, rights and privileges requisite for the purpose of making such changes.

Section 5. Upon the written request and at the expense of the Lessee, from time to time, to institute and prosecute in its own or other proper name any and all proper proceedings for the purpose of acquiring the right to cross, intersect or connect with any and all other railroads, rivers, canals, other waters, or public highways or properties, which it shall or may become necessary or desirable to cross, intersect or connect with, in connection with the operation of the Lessor's transportation system, or improvement or extension thereof.

Section 6. That the Lessee shall have the right and power, at all times during the continuance of this lease, to extend, enlarge, add to, improve or better the railroads and other physical properties hereby leased and the physical properties of companies controlled by the Lessor and which at the time may be operated by the Lessee as part of the Lessor's transportation system, or any of them, in such manner and to such extent as the Lessee may deem desirable.

SECTION 7. The capital expenditures made by the Lessee under the provisions of Sections 3, 4, 5 and 6 of this Article shall be at the expense of the Lessee; but the Lessee shall be entitled to reimbursement therefor by the Lessor to the extent and otherwise as provided in Article Four of this lease.

SECTION 8. That the Lessee shall, at all times during the continuance of this lease, have all the rights and powers of the Lessor to arrange, use and control the leased properties and the properties of companies controlled by the Lessor and at the time operated by the Lessee as part of the Lessor's transportation system, and the proceeds thereof, and to regulate and determine the rates of tolls, freight and charges of transportation over the whole or any part thereof, and to charge and collect the same and appropriate the same to its own use; and shall have, hold, use, exercise and enjoy all rights, powers, privileges and franchises now possessed or which may hereafter be acquired by the Lessor, necessary or convenient to the use, possession, enjoyment, management, betterment, extension or operation of all such properties, and their appurtenances, proceeds, rents, issues and profits, as herein provided, which can or may be lawfully exercised or enjoyed on or about or in connection with all such properties, or any part thereof, or their appurtenances, proceeds, rents, issues or profits, or the use, maintenance, betterment, extension or operation of the same.

SECTION 9. That the Lessee may, from time to time during the continuance of this lease and while it is not in default hereunder, subject to the provisions in respect of accounting contained in Article Seven, use, consume, abandon, retire, sell or otherwise dispose of any line or lines of railway and any worn-out or disused material, equipment, or other tangible personal property not required for the proper operation and maintenance of the leased properties or of the properties of companies controlled by the Lessor and at the time operated by the Lessee as part of the Lessor's transportation system, and any lands, buildings or structures no longer required for such operation and maintenance, so far as such powers may be exercised in conformity with law and the provisions of any mortgages or other liens affecting any such property, and that it will from time to time during the continuance of this lease, upon the written request and at the expense of the Lessee, if

any such property is subject to lien, cause such resolutions to be adopted and make such requests and do such other things as may be reasonably requested by the Lessee for the purpose of causing any such property to be released from the lien or liens to which the same is subject; *provided, however,* that the proceeds of any real property so sold or disposed of, except as otherwise provided in any such mortgage, shall be expended by the Lessee for improvements, betterments or additions of or to the railroads or other physical properties hereby leased, or some portion thereof, or of or to the physical properties of any such controlled company of the Lessor as the case may be; and *provided, further,* that the general integrity and continuity of the transportation system of the Lessor shall in no event be impaired by the exercise of any of such rights, powers and privileges by the Lessee unless the exercise thereof by the Lessee in the particular case shall have been approved by the board of directors of the Lessor; and *provided, further,* that, without the consent of the board of directors of the Lessor, the Lessee shall not abandon, retire, sell or otherwise dispose of any line or lines of railroad without replacement.

SECTION 10. To permit, at any and all reasonable times, such person or persons as the Lessee may designate to inspect the books and records of the Lessor for any purpose whatsoever.

SECTION 11. That if the Lessee shall at any time request the Lessor, in writing, to do any act required to be done by the Lessor under this lease and the Lessor shall fail or neglect to initiate the necessary steps to carry out such request within a period of ninety (90) days after such request shall have been received by it or shall thereafter fail or neglect to prosecute the same with reasonable diligence, the act so required to be done by the Lessor may be done by the Lessee, or its officers or agents, either in its name or in the name and as the act of the Lessor, and the Lessee may, for its own use and benefit, use the name, franchises and corporate powers of the Lessor for such purpose, provided that nothing herein contained shall affect or limit the exercise by the board of directors of the Lessor of any discretionary right or power by this lease reserved to or vested in said board of directors.

SECTION 12. The Lessee may use the name, franchises and corporate powers of the Lessor in commencing, prose-

cuting or defending any and all actions, suits and other legal proceedings as may, in the opinion of the Lessee, be necessary, proper or desirable to enable it to assert or maintain, or to defend or protect against invasion or injury, any right, franchise or privilege of the Lessor in reference to the leased properties or the properties of companies controlled by the Lessor and at the time operated by the Lessee as part of the Lessor's transportation system, or the use, maintenance, extension or operation thereof.

ARTICLE FOUR

Covenants Relating to Capital Assets and Liabilities

Section 1. The shares of stock, bonds and other securities mentioned and described in the granting clauses of this lease as forming part of the leased properties and any shares of stock, bonds and other securities which may at any time be acquired by the Lessor either in exchange or substitution for the shares of stock, bonds and other securities so mentioned and described in said granting clauses shall not, except as in this Article provided, be delivered to the Lessee, but the Lessee shall, nevertheless, in respect of any and all such shares of stock, bonds and other securities, be entitled, from time to time during the continuance of this lease, and so long as the Lessee is not in default hereunder, and subject to the terms and provisions of any mortgages, deeds of trust or other instruments affecting or relating to any such shares of stock, bonds, or other securities, to have and exercise the rights and powers in this Section set forth, that is to say:

(1) The Lessee shall be entitled to receive all of the current dividends, interest and income upon such shares of stock, bonds and other securities, and the Lessor shall, from time to time, execute and deliver any and all such orders for the payment of any such dividends, interest and income as may be necessary to enable the Lessee to receive the same.

(2) The Lessee shall be entitled to vote upon such shares of stock and other securities having voting rights for the election of directors and for all other purposes not inconsistent with the provisions of this paragraph (2), and the Lessor shall, from time to time, execute and deliver any and all such proxies and other instruments as may be necessary to enable the Lessee to vote as aforesaid. Except with the approval of the board of directors of the

Lessor, the right of the Lessee to vote upon any such shares of stock or other securities having voting rights shall not be exercised to authorize any increase of capital stock or other change of capitalization, creation of funded debt, mortgage, lien or other charge (except purchase money mortgages and renewals or extensions of previously existing indebtedness, mortgages, liens or other charges), or any sale, lease, merger or consolidation; but, with the approval of the board of directors of the Lessor, the Lessee shall be entitled to vote upon any such shares of stock or other securities having voting rights for any of the purposes aforesaid.

(3) With the approval of the board of directors of the Lessor, but not otherwise, any such shares of stock, bonds and other securities may, from time to time, be sold, exchanged, mortgaged, pledged or otherwise disposed of by the Lessee.

(4) Any and all amounts which may at any time be or become payable or distributable upon any such shares of stock, bonds or other securities otherwise than as ordinary current dividends, interest and income, and which shall represent any payment or distribution of or on account of capital or principal (including any stock dividends which may at any time be declared and paid upon any such shares of stock) and any and all proceeds of the sale, exchange, mortgage, pledge or other disposition of any such shares of stock, bonds or other securities, shall, except as and to the extent that the board of directors of the Lessor may, from time to time, otherwise determine, be collected and received by the Lessor but subject to this lease and as a part of the leased properties, and any and all amounts of the character in this paragraph (4) specified shall be applied in such manner and for such purposes as may from time to time be approved by the board of directors of the Lessor upon the written request of the Lessee.

Section 2. Any bonds and other securities (except shares of stock) of the Lessor held by it in its treasury upon the effective date of this lease shall form a part of the leased properties but shall not be delivered to the Lessee. The possession of such bonds or other securities shall be retained by the Lessor and such bonds or other securities or their proceeds shall be applied in such manner and for such purposes as may

from time to time be approved by the board of directors of the Lessor upon the written request of the Lessee. With the approval of the board of directors of the Lessor, but not otherwise, any such bonds or other securities may, from time to time, be sold, exchanged, mortgaged, pledged or otherwise disposed of by the Lessee. All discounts, costs and expenses in connection with the issue or sale of any such bonds or other securities shall be borne by the Lessee without any charge to the Lessor for any part of any such discounts, costs or expenses.

SECTION 3. All additions, improvements, betterments and extensions of or to the leased properties or of or to properties of companies controlled by the Lessor and at the time operated by the Lessee as part of the Lessor's transportation system and all property represented by capital expenditures upon all such properties made by the Lessee during the continuance of this lease shall become and be the property of the Lessor and a part of the leased properties or the property of the company upon whose properties such additions, improvements, betterments, extensions or other capital expenditures shall have been made, subject to the terms and provisions of this lease and of any mortgages, deeds of trust or other instruments relating thereto. The Lessee shall be entitled to reimbursement as herein provided for the amount of the actual cost to it of any such additions, improvements, betterments, extensions or other capital expenditures made by the Lessee as aforesaid to the extent, but only to the extent, that the making of such additions, improvements, betterments, extensions or other capital expenditures and the amount thereof shall have been approved by the board of directors of the Lessor, either before or after such addition, improvement, betterment, extension or other capital expenditure shall have been made. Such reimbursement shall be by the issue by the Lessor to the Lessee of shares of stock and/or bonds and/or other securities as the Lessee shall elect as provided in Section 4 of this Article, and/or at the option of the Lessee by the application in whole or in part of the amount of such expenditures as a credit or offset to any indebtedness of the Lessee to the Lessor upon the termination of this lease up to but not exceeding the amount of such indebtedness of the Lessee to the Lessor.

SECTION 4. The Lessee shall pay, satisfy and discharge, or cause to be paid, satisfied and discharged, or

shall renew, extend or refund, or cause to be renewed, extended or refunded, as and when the same become due and payable, the principal of (1) any and all bonds and other capital obligations and evidences of indebtedness and liabilities heretofore issued, incurred or assumed by the Lessor and now outstanding, and (2) any and all bonds and other capital obligations and evidences of indebtedness and liabilities which may from time to time hereafter be issued, incurred or assumed by the Lessor as provided in this Section. For the purpose of paying, redeeming or otherwise acquiring, or of renewing, extending or refunding, any or all such bonds or other capital obligations and evidences of indebtedness or liabilities, before, at or after the maturity thereof, or for the purpose of reimbursing the Lessee for the cost to it of any such payment, redemption, acquisition, renewal, extension or refunding, or for the purpose of reimbursing the Lessee for the cost of any capital expenditures made by the Lessee for which it may be entitled to reimbursement as provided in Section 3 of this Article, the Lessor, from time to time during the continuance of this lease, will, to the extent of its corporate powers and subject to any necessary governmental approval, upon the written request of the Lessee, make, execute, issue and deliver to the Lessee such shares of stock of such class or classes and/or such bonds or other securities in such amounts, bearing such rates of dividend or interest, payable at such times and secured in such manner in respect of the leased properties, as the Lessee may determine and as may be approved by the board of directors of the Lessor upon the written request of the Lessee, and such mortgages, deeds of trust and other instruments as the Lessee may determine and as may be approved by the board of directors of the Lessor upon the written request of the Lessee to be necessary or desirable to secure the payment of any such bonds or other securities, or the Lessor shall otherwise obligate itself in such manner as the Lessee may determine and as the board of directors of the Lessor may approve upon the written request of the Lessee. In case any renewal or extension of any bonds or other obligations or evidences of indebtedness can be procured by the Lessee, the Lessee may arrange with the holders thereof for such renewal or extension, and from time to time, upon the written request of the Lessee, the Lessor will, to the extent of its corporate powers and subject to any necessary governmental approval, execute any and all agreements and do any and all acts approved by the board of directors

of the Lessor upon the written request of the Lessee which may be necessary or desirable to effect any such renewal or extension. All shares of stock, bonds and other obligations and evidences of indebtedness which may at any time be issued by the Lessor as provided in this Section, and the proceeds of all such shares of stock, bonds and other obligations and evidences of indebtedness, shall be devoted solely to the purposes in this Section stated. All shares of stock, bonds, obligations and other evidences of indebtedness which may be issued by the Lessor, as provided in this Section, shall be accepted by the Lessee at the par or face value thereof, or if the same shall have no par or face value, then at such value as may be agreed upon between the Lessor and the Lessee, and all discounts, costs and expenses in connection with the issue and sale of any such shares of stock, bonds or other obligations or evidences of indebtedness, shall be borne by the Lessee without any charge to the Lessor for any part of such discounts, costs or expenses.

SECTION 5. Any saving, benefit or advantage resulting from any refunding, retirement or rearrangement of the securities, obligations or undertakings of the Lessor by the Lessee during the continuance of this lease, shall inure to the benefit of the Lessee, during such continuance of this lease, without obligation on the part of the Lessee to pay to the Lessor any additional sum, by way of rental or otherwise, on account thereof.

SECTION 6. Subject to and upon compliance with the terms and conditions of any mortgage or other similar contract which provides for or permits such substitution or joinder, the Lessor, at any time during the continuance of this lease, upon the written request of the Lessee, will, to the extent of the corporate powers of the Lessor, join in, assist and procure the substitution or joinder of the Lessee for or with the Lessor under and as a party to said mortgage or contract, with all the rights, privileges and powers which can be accorded to and conferred upon the Lessee thereunder, *subject, however,* to all of the terms, conditions and limitations therein prescribed, and *subject, further,* to the provision that no bonds or other obligations or evidences of indebtedness shall be issued which would be a lien upon any of the leased properties without the approval of the board of directors of the Lessor.

SECTION 7. The Lessor will not, during the continuance of this lease, without the written request or consent of the Lessee, subject or permit the subjection of the leased properties or any part thereof to any lien, charge, trust or demand of any character.

ARTICLE FIVE

CONSOLIDATION, ETC., OF LESSOR AND LESSEE

It is hereby mutually covenanted and agreed that, when and if authorized by the Interstate Commerce Commission or other proper governmental agency, or otherwise authorized or permitted by law, the leased properties and the properties of the Lessee shall be consolidated into one corporation for the ownership, management and operation thereof upon such terms and conditions and in such manner, either by consolidation, merger, conveyance, or other means of unification, as may be agreed upon between the boards of directors of the Lessor and the Lessee, and that thereupon this lease shall be terminated; and in such event the parties hereto severally covenant and agree promptly to execute or to cause to be executed each and every instrument, and to do or to cause to be done each and every act and thing, necessary or advisable in order to effect such consolidation, merger, conveyance or other unification, when so authorized and agreed upon.

If for any reason whatsoever this lease shall be terminated, then the Lessor, upon request of the Lessee, its successors or assigns, either shall forthwith, for a nominal consideration, convey the fee and complete ownership of the leased properties, and all of the Lessor's right, title and interest therein and thereto, to the Lessee, or to the Lessee's nominee, subject to the approval of the conveyance at such time by the Interstate Commerce Commission or other proper governmental agency, or shall, at the option of the Lessor, return the shares and certificates paid, issued and turned over by the Lessee to the Lessor pursuant to the provisions of Section 1 of Article Two of this lease, or the equivalent value thereof at the time of such termination. If for any reason whatsoever such conveyance shall not be made at the time of such termination the Lessor shall in any event return said shares and certificates, or said equivalent thereof. But nothing herein shall be construed to limit or prevent the free use or disposition of said shares and/or certificates by the Lessor.

ARTICLE SIX

Remedies in Case of Default

In case the Lessee shall, at any time during the continuance of this lease, fail or omit duly and punctually

(1) to make any payment in this lease agreed to be made by it as and when such payment shall become due and payable; or

(2) to observe, abide by, keep or perform any other of the covenants, agreements, conditions and/or obligations of this lease to be observed, abided by, kept or performed by it,

and any such default shall continue for a period of sixty (60) days after service upon the Lessee of a written notice specifying such default and requiring the Lessee to remedy the same, then and in any such case the Lessor may either

(*a*) proceed by proper action or actions in the proper court or courts, either at law or in equity, to recover the amount of the payment in respect of which default shall have been made, together with interest thereon, or to enforce the performance of any or all such covenants, agreements, conditions or obligations by the Lessee, or to recover damages for the breach thereof; or

(*b*) by notice in writing terminate this lease, and thereupon enter in and upon the leased properties and all and every part thereof and remove the Lessee and all other persons therefrom; and shall thenceforth hold, possess and enjoy the same free from any right of the Lessee or its successors or assigns to use the leased properties or any part thereof for any purpose whatsoever; and thereupon any and all right, title and interest of the Lessee in and to the leased properties and in and to the possession and use thereof shall absolutely cease and determine as though this lease had never been made; but the Lessor nevertheless shall have the right to recover from the Lessee any and all amounts which may then be due and payable by the Lessee under this lease, together with interest thereon, as well as any damages in addition thereto which the Lessor may have sustained by reason of the breach of the provisions hereof, subject to the right of the Lessee to reimbursement, to the extent and in the manner provided in this lease,

for any amounts chargeable by the Lessee to the Lessor in accordance with the terms and provisions hereof.

Anything to the contrary in this lease notwithstanding, if in any mortgage, deed of trust, indenture or other agreement constituting a lien upon or otherwise affecting any of the leased properties it shall be provided that no lease of the properties subject to or affected by any such mortgage, deed of trust, indenture or other agreement shall be made unless the lease, as to such properties, shall be subject to termination by the trustee of such mortgage, deed of trust, indenture or other agreement, in case of the happening of an event of default thereunder, or by the purchaser at any sale of the mortgaged premises made in enforcement of such mortgage, deed of trust, indenture or other agreement, this lease is hereby made subject to termination by such trustee or such purchaser as to the premises upon which such mortgage, deed of trust, indenture or other agreement constitutes a lien, but only as to such premises; *provided, however,* that an event of default under any such mortgage, deed of trust, indenture or other agreement shall not operate *ipso facto* to effect such termination but that such termination shall be effected only by the affirmative action of such trustee or of such purchaser in accordance with the terms, conditions and provisions of such mortgage, deed of trust, indenture or other agreement; and *provided further* that the Lessee shall be subrogated and succeed to all rights of the Lessor to make good and to remedy such event of default and its consequences.

ARTICLE SEVEN

Accounting

Section 1. (A) A complete inventory of the materials and supplies and shop machinery and tools leased shall be taken jointly by the Lessor and the Lessee as of the effective date of this lease.

(B) Within sixty (60) days after the effective date of this lease, the Lessor shall prepare and deliver, or cause to be prepared and delivered, to the Lessee trial balance sheets in duplicate, duly authenticated by the chief accounting officer of the Lessor, drawn from the books of the Lessor as of the effective date of this lease, and all of the accounts embraced within said trial balance sheets, except capital stock accounts, shall be taken over into the books of the Lessee, but the Lessee for

these and all other of its purposes may treat as its books and as its organization the books of account and the accounting records and memoranda and organization of the Lessor for such time as to the Lessee shall seem advisable.

(C) As soon as practicable after the effective date of this lease, the Lessor shall prepare and deliver to the Lessee written schedules, in duplicate, duly authenticated by the chief accounting officer of the Lessor, which shall show as of the effective date of this lease, in detail, the leased properties, setting forth separately properties owned by the Lessor and properties not so owned, but held, operated, controlled or used by the Lessor under lease, by stock control or otherwise, together with the respective mortgages, pledges and other liens thereon; and the capitalization, liabilities, reserves and balances affecting the same, all according to the following classifications, setting forth separately securities, liabilities, reserves and balances issued or assumed by the Lessor and by corporations or individuals, the properties of which are held, operated, controlled or used by the Lessor under leases, by stock control or otherwise:

(1) Railroad and telegraph lines and branches, showing their general condition if finished, and to what extent completed if unfinished, with their respective locations, termini, mileages and other facts necessary completely to identify the properties. This schedule shall be accompanied by a suitable map or maps and profiles.

(2) Lands (including lands under water, water rights and rights of reclamation) classified by valuation sections, zones and parcels as provided by the Interstate Commerce Commission, in connection with the federal valuation of railroads. This schedule shall be accompanied by a suitable map or maps.

(3) Wharves, docks, piers, warehouses, station buildings and other structures and properties used in or held for the service of transportation by water, and/or in connection therewith. This schedule shall show the general physical condition of each unit of property.

(4) Rolling stock and other railroad equipment and the general condition and the value thereof, determined according to the rules of the American Railway Association so far as such rules are applicable.

(5) Floating equipment, showing each boat in detail, and the general condition and value of same.

(6) Improvements on leased railway property, including the Lessor's investment in additions and betterments made by it to railway property held under long-term lease, or through control of the corporation owning the property. This schedule shall be classified by primary accounts in accordance with the rules of the Interstate Commerce Commission.

(7) Sinking funds including cash, securities and other assets held for the purpose of redeeming outstanding obligations.

(8) Deposits in lieu of mortgaged property sold.

(9) Physical properties, other than the transportation properties embraced in the schedules referred to in clauses (1) to (6) of this part (C) of this Section.

(10) Stocks, bonds, notes and other securities issued or assumed by companies affiliated with the Lessor and held or owned by or for the Lessor and all advances made by the Lessor to such companies.

(11) Stocks, bonds, notes and other securities issued or assumed by companies not affiliated with the Lessor, or by individuals, and held or owned by or for the Lessor, and all advances made by the Lessor to such companies and to individuals, and all other investments not provided for otherwise in this Section.

(12) Current assets, deferred assets and unadjusted debits classified according to the classification of general balance sheet accounts prescribed by the Interstate Commerce Commission.

(13) Stock, governmental grants and long term debt classified according to the classification of general balance sheet accounts prescribed by the Interstate Commerce Commission.

(14) Current liabilities, deferred liabilities, unadjusted credits and corporate surplus classified according to the classification of general balance sheet accounts prescribed by the Interstate Commerce Commission.

The book values and amounts for all items, for which such values and amounts are recorded, shall be stated in

the schedules thereof, and, unless otherwise stated in such schedules, such values and amounts shall, for the purpose of final accounting, be *prima facie* deemed to be the correct values or amounts for said items. Where said schedules show any values other than book values, the values so shown shall be *prima facie* deemed to be the correct values unless specific written objection thereto is made by the Lessee within six months after delivery of said schedules, *provided, however,* that the value of rolling stock and other railroad equipment shall for such purposes be determined as of the effective date of this lease, according to the rules of the American Railway Association so far as such rules are applicable.

SECTION 2. During the continuance of this lease, (*1*) all revenues, income, expenses, taxes and other charges against income shall be treated as the business of the Lessee, but for the purpose of final accounting under this lease the same shall be allocated with reference to the time when accrued or incurred, as between the period of the continuance of this lease and the period prior thereto, and the Lessee shall make such entries and maintain and keep such records and accounts as may be necessary to effect such allocation; and (2) the accounting for retirements and replacements, and for the cost of additions and betterments, shall be in accordance with the rules of the Interstate Commerce Commission or other governmental authority, at the time in force.

SECTION 3. Upon the termination of this lease, otherwise than as provided in Article Five hereof, there shall be, in connection with the return of the leased physical properties and other capital assets shown in the schedules referred to in clauses (1) to (11) inclusive of part (C) of Section 1 of this Article, an accounting and settlement between the parties, as follows:

The Lessee shall as soon as practicable after the termination of the lease prepare and deliver to the Lessor written schedules in duplicate, corresponding as of the date of the termination of this lease to the schedules referred to in clauses (1) to (11) inclusive of part (C) of Section 1 of this Article.

The Lessee shall be debited and the Lessor credited with:

(*a*) The value of any of the capital assets listed in the schedules furnished by the Lessor in accordance with Section 1 of this Article, or any parts thereof, which have been sold, abandoned, retired, worn out, or otherwise disposed of by the Lessee, or which for any other reason are not returned to the Lessor by the Lessee.

(*b*) The cost of any additions, betterments, extensions, enlargements or increases of capital assets of any kind, or any parts thereof, which may have been charged to the Lessor under this lease and which have been sold, abandoned, retired, worn out, or otherwise disposed of by the Lessee, or which for any other reason are not turned over to the Lessor by the Lessee.

(c) All amounts received or realized by the Lessee out of the materials and supplies and other current and deferred and other assets listed in the schedules furnished by the Lessor in accordance with clause (12) of part (C) of Section 1 of this Article or arising or accruing from the operation, business or investment of the leased properties prior to the effective date of this lease, which are not included in said schedules.

(*d*) All amounts of taxes, operating expenses, hire of equipment, rents, traffic balances and other liens and charges upon the leased properties arising or accruing from their operation, business or investment during the continuance of this lease, which the Lessee shall have failed to pay or satisfy.

(*e*) All increases in the par or principal amounts of outstanding capital liabilities or stock of the Lessor or against the leased properties listed in the schedules furnished by the Lessor in accordance with Section 1 of this Article, made by or at the request of the Lessee for which the Lessor is not otherwise reimbursed or indemnified.

(*f*) All items and amounts not embraced in the foregoing clauses (*a*) to (*e*) inclusive, which the Lessee is required by the provisions of this lease to pay, perform or discharge without debit against or reimbursement by the Lessor, and which the Lessee has failed or may fail so to pay, perform or discharge.

The Lessor shall be debited and the Lessee credited with:

(*g*) The cost of any additions and betterments, extensions, enlargements or increases in capital as-

sets listed in the schedules furnished by the Lessor in accordance with Section 1 of this Article made by the Lessee with the authorization or ratification of the board of directors of the Lessor (without deduction for any sales, abandonments, retirements or other amounts for which the Lessor may be credited as in clauses (*a*) and (*b*) hereinabove provided).

(*h*) All amounts paid by the Lessee for current and other liabilities listed in the schedules furnished by the Lessor in accordance with Section 1 of this Article, or arising or accruing from or in respect of the operation, business or investment of the leased properties prior to the effective date of this lease which are not included in said schedules.

(*i*) All decreases in the par or principal amounts of outstanding liabilities of the Lessor, or against the leased properties listed in the schedules furnished by the Lessor in accordance with Section 1 of this Article.

(*j*) All amounts received or realized by the Lessor from any materials and supplies or other current assets which may be turned over by the Lessee to or collected by the Lessor of the nature of those listed in accordance with clause (12) of part (C) of Section 1 of this Article, or arising or accruing from or in connection with the operation, business or investment of the leased properties during the continuance of this lease.

(*k*) The balance of any working or other funds established by the Lessee with the Lessor, or for the Lessor's benefit, which the Lessor has failed or may fail to return.

(*l*) All items and amounts not embraced in the foregoing clauses (*g*) to (*k*) inclusive, which the Lessor is required by the provisions of this lease to pay, perform or reimburse to the Lessee, or to pay, perform and discharge without debit against the Lessee, and which the Lessor has failed or may fail so to pay, perform, reimburse or discharge.

Revenues, income, expenses, taxes and other charges against income shall be allocated in such accounting with reference to the time when accrued or incurred as between the period of the continuance of this lease and the periods prior and subsequent thereto. For the purpose of such accounting the same methods of accrual

and valuation shall prevail at the termination of this lease as those which prevailed at the effective date of this lease. For the purpose of such final accounting, charges and credits in respect of additions and betterments, retirements, replacements and depreciation shall be made to capital accounts in accordance with the accounting rules of the Interstate Commerce Commission, or its successor in authority, in force at the time or times when the transactions were affected, except that the accounting for equipment shall be based upon the methods of valuation adopted as of the effective date of this lease.

The first balance upon the final accounting shall be struck within sixty (60) days after the termination of this lease and shall be paid by the party against which the net debit exists, with interest at the rate of six per centum (6%) per annum from the date when the balance is struck, to the other party, within thirty (30) days thereafter. Such payment shall be made in cash or, at the option of the debtor party, in bonds of the debtor party at par, bearing interest at the rate of six per centum (6%) per annum, and secured by the best lien, charge, pledge or guaranty which the debtor party is then able to give as security for the payment of such bonds, *provided, however,* that, if such balance shall be against the Lessee, the Lessee, up to the amount of such balance, shall, if required by the Lessor, pay to the Lessor in cash an amount equal to the net balance against the Lessee arising from the debits and credits in respect of current assets and liabilities referred to in clauses (*c*), (*h*) and (*j*) of this Section 3.

After the first balance has been struck, there shall be a similar accounting for each subsequent period of three months, with payment of balances in cash or in bonds as above provided, until the account has been finally closed.

SECTION 4. Neither party shall make any charge against the other for services in preparing, paying, collecting or settling the accounts above referred to, but all of the work in connection with such matters, during the continuance of this lease, shall be done by or at the expense of the Lessee without charge to the Lessor, and, subsequent to the termination of this lease, shall be done by or at the expense of the Lessor without charge to the Lessee.

The accounting hereinabove provided for shall not prevent or exclude any claim by either party against the other for damages for breach of any covenant of this lease.

ARTICLE EIGHT

Arbitration

In case of any disagreement between the parties hereto as to the true construction or meaning of any of the provisions of this lease, or as to the rights of either party hereunder, or as to the terms and provisions of any stocks, bonds, obligations or other evidences of indebtedness which may be issuable to the Lessee, as provided in Article Four of this lease, or of any mortgages, deeds of trust or other instruments to secure the payment of any such bonds, obligations or other securities, or any claim of either party arising hereunder, which the parties fail to adjust between themselves, such matter or matters of disagreement shall be submitted for arbitration to a tribunal consisting of three disinterested persons, constituted as hereinafter provided.

In case of any such disagreement, the Lessor shall appoint one arbitrator and the Lessee shall appoint one arbitrator, and the two thus appointed shall appoint a third. In case either party shall refuse or fail to appoint an arbitrator within thirty (30) days after receiving written notice from the other party of the matter which it desires to submit to arbitration, and of its appointment of an arbitrartor, such party so asking for an arbitration may also appoint the second arbitrator, and the two persons so appointed shall appoint the third arbitrator. In the event of the failure of the two arbitrators first appointed to appoint the third within ten (10) days after the appointment of the second arbitrator and his acceptance of such appointment, either party hereto may apply to a judge of the United States District Court for the Northern District of Ohio, upon fifteen (15) days' written notice to the other party, for such appointment of the third arbitrator.

The tribunal so constituted shall give ten (10) days' written notice of the time and place of hearing to the parties, and shall proceed without delay to hear the proofs and allegations of such parties, or of such party as may appear before such tribunal, and shall determine the questions and matters submitted to it for arbitration, and

make its decision and award in writing. In case either party refuses or fails, upon said written notice given by such arbitrators, to produce its proofs, or present its case before them, the arbitrators may determine such questions and matters so submitted to them upon proofs presented by the other party and such proofs as they may procure.

The decision and award of the majority of the arbitrators, when made in writing and signed by them, shall in every case be final and conclusive and obligatory upon the parties hereto; and each party hereto agrees to abide by and comply with every such decision and award.

The determination and award of such arbitrators, or a *bona fide* effort to obtain it, shall be a condition precedent to any right of action with respect to any matter hereby agreed to be submitted to arbitration, and no right of action, either at law or in equity, shall, with respect to any such matter, exist or be invoked by either party hereto until after the same shall have been submitted to arbitration as herein provided (and then only to enforce the decision and award of such arbitration) or until after a *bona fide* attempt to obtain such arbitration shall have been made by the party so resorting to litigation and such attempt shall have failed otherwise than through the fault of such party.

ARTICLE NINE

Miscellaneous Provisions

Section 1. The covenants and agreements herein contained are made subject to existing and future law and to the exercise of power thereunder by public authority, whether by way of authorization, prohibition or otherwise.

Section 2. The Lessor and the Lessee may, by agreement authorized or approved by their respective boards of directors, at any time and from time to time during the continuance of this lease, make any such alteration or modification of the terms, conditions and provisions of this lease, or of any of them, not inconsistent with the general intent and purpose of this lease, as such boards may deem expedient, but no such alteration or modification shall reduce the amount of rental payable hereunder

SECTION 3. Whenever, in this lease, provision is made for any consent or approval by the board of directors of the Lessor, it is understood and agreed that such consent or approval may be given or withheld by said board of directors in its discretion, except as provided in Article Eight of this lease, and that nothing contained in this lease, except Article Eight of this lease, is intended or shall be construed to limit or affect any discretion which said board of directors would otherwise possess, and neither said board of directors of the Lessor nor any member of said board shall be liable or responsible for any exercise of discretion or judgment; and no director, officer or stockholder, either of the Lessee or of the Lessor, shall be held to any individual or personal liability for any matter or thing under or in connection with this lease or any instrument made in pursuance hereof by either party hereto.

SECTION 4. Except as in this lease specifically provided in Section 2 of Article Two of this lease, no rights of any character whatever shall for any purpose accrue to or be deemed to be conferred upon any person, firm or corporation under this lease other than the Lessor and the Lessee and their respective successors and assigns; nor shall any provisions of this lease be deemed an assumption of obligation or liability within the meaning of Section 20 (*a*) of the Interstate Commerce Act.

SECTION 5. This lease is to take effect and be in force as of midnight, , 1925, which date is sometimes referred to in this lease as "the effective date of this lease". Thereafter the Lessee may operate the leased properties either in its own name or in the name of the Lessor, or may provide for such operation by another.

SECTION 6. Any notice to be given by one party to the other party under this lease shall be deemed sufficiently given if in writing and mailed in a postpaid, sealed wrapper to such address as shall have been last given in writing by the other party for such purpose.

SECTION 7. This lease is assignable, and it is mutually covenanted and agreed that all of the provisions herein contained shall be binding upon the respective successors and assigns of each of the parties hereto; *provided, however,* that no assignment of this lease shall be made by the Lessee without the consent of the board of directors

of the Lessor unless the Lessee shall guarantee to the Lessor the performance by the assignee of all obligations imposed upon the assignee under this lease.

IN WITNESS WHEREOF, the parties hereto have caused this indenture to be executed by their respective presidents or vice-presidents and attested under their respective corporate seals by their respective secretaries or assistant secretaries.

THE NEW YORK, CHICAGO AND ST. LOUIS RAILROAD COMPANY,

By.....
President

Attest:

.....
Secretary.

Signed, sealed and delivered in behalf of The New York, Chicago and St. Louis Railroad Company in the presence of

.....

.....

THE NEW YORK, CHICAGO AND ST. LOUIS RAILWAY COMPANY,

By.....
President

Attest:

.....
Secretary.

Signed, sealed and delivered in behalf of The New York, Chicago and St. Louis Railway Company in the presence of

.....

.....

STATE OF
County of } ss.:

On the day of , in the year 1925, before me personally came to me known, who being by me duly sworn, did depose and say that he resides in , County ; that he is of THE NEW YORK, CHICAGO AND ST. LOUIS RAILROAD COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the board of directors of said corporation; and that he signed his name thereto by like order.

.....
Notary Public.

My commission as a Notary Public will expire

STATE OF
County of } ss.:

On the day of , in the year 1925, before me personally came to me known, who being by me duly sworn, did depose and say that he resides in , County ; that he is of THE NEW YORK, CHICAGO AND ST. LOUIS RAILWAY COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the board of directors of said corporation; and that he signed his name thereto by like order.

.....
Notary Public.

My commission as a Notary Public will expire

STATE OF
County of } ss.:

I HEREBY CERTIFY that on this day of in the year of our Lord, 1925, before me, the subscriber, a Notary Public in and for said county and state, personally appeared , the attorney named in the foregoing instrument, and by virtue and in pursuance of the authority therein conferred upon him, acknowledged the said instrument to be the act of the said The New York, Chicago and St. Louis Railroad Company.

WITNESS my hand and notary seal the day and year aforesaid.

.....
Notary Public.

My Commission as a Notary Public will expire

STATE OF
County of } ss.:

I HEREBY CERTIFY that on this day of in the year of our Lord, 1925, before me, the subscriber, a Notary Public in and for said county and state, personally appeared , the attorney named in the foregoing instrument, and by virtue and in pursuance of the authority therein conferred upon him, acknowledged the said instrument to be the act of the said The New York, Chicago and St. Louis Railway Company.

WITNESS my hand and notary seal the day and year aforesaid.

.....
Notary Public.

My Commission as a Notary Public will expire

STATE OF
County of } ss.:

BEFORE ME, a notary public in and for said county, personally appeared ,
of THE NEW YORK, CHICAGO AND ST. LOUIS RAILROAD COMPANY, the corporation which executed the foregoing instrument, who acknowledged that the seal affixed to said instrument is the corporate seal of said corporation; that he did sign and seal said instrument as in behalf of said corporation and by authority of its board of directors; and that said instrument is the free act and deed of said The New York, Chicago and St. Louis Railroad Company.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name at , , this day of , 1925.

.....
Notary Public.

My Commission as a Notary Public will expire

STATE OF
County of } ss.:

BEFORE ME, a notary public in and for said county, personally appeared ,
of THE NEW YORK, CHICAGO AND ST. LOUIS RAILWAY COMPANY, the corporation which executed the foregoing instrument, who acknowledged that the seal affixed to said instrument is the corporate seal of said corporation; that he did sign and seal said instrument as in behalf of said corporation and by authority of its board of directors; and that said instrument is the free act and deed of said The New York, Chicago and St. Louis Railway Company.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name at , , this day of , 1925.

.....
Notary Public.

My Commission as a Notary Public will expire

STATE OF
County of } ss.:

I, , a notary public in and for said county in the state aforesaid, do hereby certify that , personally known to me to be of THE NEW YORK, CHICAGO AND ST. LOUIS RAILROAD COMPANY and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument as the free and voluntary act of said The New York, Chicago and St. Louis Railroad Company for the uses and purposes therein set forth and that he was duly authorized to execute the same, by resolution of the board of directors of the said corporation.

GIVEN under my hand and official seal this day of A. D., 1925.

.....
Notary Public.

My Commission as a Notary Public will expire

STATE OF
County of } ss.:

I, , a notary public in and for said county in the state aforesaid, do hereby certify that , personally known to me to be of THE NEW YORK, CHICAGO AND ST. LOUIS RAILWAY COMPANY and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument as the free and voluntary act of said The New York, Chicago and St. Louis Railway Company for the uses and purposes therein set forth and that he was duly authorized to execute the same, by resolution of the board of directors of the said corporation.

GIVEN under my hand and official seal this day of , A. D., 1925.

.....
Notary Public.

My Commission as a Notary Public will expire

STATE OF
County of } ss.:

BE IT REMEMBERED, that on the day of , 1925, before the undersigned, a notary public in and for the county and state aforesaid, duly commissioned and qualified, personally appeared , of THE NEW YORK, CHICAGO AND ST. LOUIS RAILROAD COMPANY, and acknowledged the execution of the foregoing instrument on behalf of said company as the voluntary act and deed of said company for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

.....
Notary Public.

My Commission as a Notary Public will expire

STATE OF
County of } ss.:

BE IT REMEMBERED, that on the day of , 1925, before the undersigned, a notary public in and for the county and state aforesaid, duly commissioned and qualified, personally appeared , of THE NEW YORK, CHICAGO AND ST. LOUIS RAILWAY COMPANY, and acknowledged the execution of the foregoing instrument on behalf of said company as the voluntary act and deed of said company for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

.....
Notary Public.

My Commission as a Notary Public will expire

Exhibit No. 20.

PROPOSED FORM OF LEASE FOR C. & O.
"A"

Indenture, dated the .....day of ....., 1925, by and between THE CHESAPEAKE AND OHIO RAILWAY COMPANY, a corporation of the State of Virginia, hereinafter called "the Lessor", party of the first part, and THE NEW YORK, CHICAGO AND ST. LOUIS RAILWAY COMPANY, a corporation of the State of Ohio, hereinafter called "the Lessee", party of the second part;

WHEREAS, the Lessor owns, controls and operates certain lines of railroad and other property, with the appurtenances thereof, in the States of Virginia, West Virginia, Kentucky, Ohio, Indiana and Illinois and in the District of Columbia; and a system of water transportation, with the appurtenances thereof, operating between Newport News, Virginia, and Norfolk and Sewells Point, Virginia, between South Ripley, Kentucky, and Ripley, Ohio, between South Portsmouth, Kentucky, and Portsmouth, Ohio, and between New Richmond, Kentucky, and New Richmond, Ohio; and

WHEREAS, the Lessee desires to lease all such lines of railroad and appurtenances and said system of water transportation and appurtenances and all other property of the Lessor, together with the rents, issues and profits thereof, and the Lessor is willing to lease the same unto the Lessee upon the terms and conditions set forth in this indenture; and

WHEREAS, the Lessor and the Lessee respectively acknowledge that all acts and things required by law to make this indenture a valid, binding and enforceable indenture of lease in accordance with the terms and conditions hereof have been done and performed by the Lessor and by the Lessee respectively and have happened;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That in consideration of the mutual covenants and agreements herein contained and of other valuable considerations, the receipt of which by each of the parties to this indenture from the other is hereby acknowledged, the parties hereto respectively act, covenant and agree as herein stated.

The Lessor, subject to all of the terms and conditions herein set forth, has let, demised, leased and assigned, and does hereby let, demise, lease and assign, unto the Lessee, its successors and assigns, for the term herein after stated:

All and singular the right, title and interest of the Lessor in and to the following lines of railroad and other property, real, personal and mixed, together with any and all other property owned by the Lessor or in which it has any interest, legal or equitable, whether or not herein specifically described, all of which are hereinafter sometimes referred to collectively as "the leased properties", *viz.:*

FIRST: All and singular the following described lines of railroad and other property, and all other lines of railroad at the effective date of this lease owned by the Lessor, and all the right, title and interest of the Lessor in and to any other lines of railroad in or to which at said date the Lessor has any right, title or interest:

I

The following lines of railroad:

1. The main line of railroad of the Lessor extending from a point at Old Point Comfort, near Fort Monroe, through Elizabeth City County, and from the terminus at Newport News, through the City of Newport News, Warwick County, James City County, York County, the City of Williamburg, New Kent County, Charles City County, Henrico County, the City of Richmond, Hanover County, Louisa County, Orange County, Albemarle County, the City of Charlottesville, Nelson County, Augusta County, the City of Staunton, Rockbridge County, Bath County, the City of Clifton Forge, the City of Covington, and Alleghany County, three hundred seven and four-tenths (307.4) miles, more or less, all in the State of Virginia; and through Greenbrier County, the City of Ronceverte, Monroe County, Summers County, the City of Hinton, Fayette County, Kanawha County, the City of Charleston, Putnam County, Cabell County, the City of Huntington, and Wayne County, two hundred five and four-tenths (205.4) miles, more or less, all in the State of West Virginia; and through Boyd County, the City of Catlettsburg, the City of Ashland, Greenup County, the City of Russell, Lewis County, Mason County, the City of Maysville, Bracken County, Pendleton County, Campbell County, the City of Newport, Kenton County to a point of connection with The Covington and Cincinnati Elevated Railroad and Transfer and Bridge Company at the center line of Saratoga Alley in the City of Covington, Kenton County, one hundred fifty and three-tenths (150.3) miles, more or less, all in the State of Kentucky, the total distance through the three said States being six hundred sixty-three and one-tenth (663.1) miles, more or less;

2. And also its Penniman Branch extending from a point of connection with the main line of the Chesapeake and Ohio Railway at or near Penniman Junction, in the County of James City, State of Virginia, to Penniman, in said County and said State, a distance of four and seven-tenths (4.7) miles, more or less;

3. And also its Virginia Air Line Branch extending from a point of connection with the main line of the Chesapeake and Ohio Railway, at or near Lindsay, in Albemarle County, through Albemarle County, Louisa County, and Fluvanna County to a point of connection with the James River Line of said railway at Strathmore, in Fluvanna County, twenty-nine and eight-tenths (29.8) miles, more or less, all in the State of Virginia;

4. And also its line of railroad known as the James River Line, extending from a point of connection with the main line of the Chesapeake and Ohio Railway, in the City of Richmond, County of Henrico, State of Virginia, through the Counties of Henrico, Goochland, Fluvanna, Albemarle, Nelson and Amherst, the City of Lynchburg and the Counties of Campbell, Bedford and Rockbridge to Buchanan in the County of Botetourt, and thence to a point of connection with the main line of the Chesapeake and Ohio Railway in the City of Clifton Forge in Alleghany County, all in the State of Virginia, being a distance of two hundred and twenty-nine and nine-tenths (229.9) miles, more or less;

5. And also all branches and extensions of said railway, including the Buckingham Branch, extending from a point of connection with said James River Line, at or near Bremo, in the County of Buckingham in said State, a distance of twenty and eight-tenths (20.8) miles, more or less;

6. And also including its Alberene Branch, extending from a point of connection with said James River Line at Warren, in the County of Albemarle, State of Virginia, to Alberene, in said County of Albemarle, a distance of eleven and one-tenth (11.1) miles, more or less, subject to certain trackage and other rights, which the Nelson and Albemarle Railway Company has by contract, between Esmont and Alberene, a distance of about five (5) miles;

7. And also including its Lexington Branch, extending from a point of connection with said James River Line at Balcony Falls, in the County of Rockbridge, State of Virginia, to Glasgow, in said County of Rockbridge, a distance of one and three-tenths (1.3) miles, more or less, and from Loch Laird, also in the County of Rockbridge, through the City of Buena Vista to East Lexington, also in the County of Rockbridge, a distance of ten and five-tenths (10.5) miles, more or less;

8. And also including its Craig Valley Branch, extending from a point of connection with said James River Line, near Eagle Mountain, in the County of Botetourt, in the State of Virginia, to Newcastle in Craig County, in said State, a distance of twenty-six and four-tenths (26.4) miles, more or less;

9. And also its Warm Springs Valley Branch, extending from a point of connection with the main line of the Chesapeake and Ohio Railway, at or near Covington, in the County of Alleghany, State of Virginia, to Hot Springs, in Bath County, in said State, a distance of twenty-four and seven-tenths (24.7) miles, more or less;

10. And also its Potts Creek Branch, extending from a point of connection with the main line of the Chesapeake and Ohio Railway, at or near Covington, in the County of Alleghany, State of Virginia, to Bess, in said County of Alleghany, a distance of twenty and one-tenth (20.1) miles, more or less;

11. And also its Greenbrier Branch, extending from a point of connection with the main line of the Chesapeake and Ohio Railway, at or near Whitcomb, in Greenbrier County, West Virginia, to Winterburn in Pocahontas County, in said State, a distance of one hundred and eight-tenths (100.8) miles, more or less;

12. And also its Laurel Creek Branch, extending from a point of connection with the main line of the Chesapeake and Ohio Railway, at or near Quinnimont, in Fayette County, West Virginia, to Layland in said County of Fayette, a distance of five and five-tenths (5.5) miles, more or less;

13. And also its Piney Creek Branch, extending from a point of connection with the main line of the

Chesapeake and Ohio Railway, at or near Prince, in Fayette County, West Virginia, to a point at or near Jenneys Gap, in Raleigh County, in said State, a distance of twenty-eight and nine-tenths (28.9) miles, more or less;

14. And also its Glade Creek and Raleigh Branch, formerly of Raleigh & Southwestern Railway Company, extending from a point of connection with its said Piney Creek Branch at Blue Jay Junction, in Raleigh County, West Virginia, to Daniels, the present terminus, in said Raleigh County, in said State, a distance of two and sixty-six hundredths (2.66) miles, more or less;

15. And also its Raleigh & Southwestern Branch, formerly Raleigh & Southwestern Railway Company, extending from a point of connection with its Piney Creek Branch at or near Raleigh Station, in Raleigh County, West Virginia, thence up the Valley of Piney Creek to a point at or near Woodpeck, in said Raleigh County, in said State, a distance of eight and four-tenths (8.4) miles, more or less; subject, however, to certain trackage rights which the Raleigh Lumber Company has upon said line of railroad;

16. And also its Winding Gulf Branch, beginning at a point on said last mentioned line of railroad at or near Pemberton Station and distant about five and five-tenths (5.5) miles from said Raleigh Station and extending thence up Soak Creek and crossing the divide to Winding Gulf Creek, a tributary of the Guyandot River, thence down Winding Gulf Creek to Stone Coal, in the County of Raleigh in said State, a distance of fifteen and four-tenths (15.4) miles, more or less;

17. And also its Piney River and Paint Creek Branch, extending from a point of connection with said Piney Creek Branch, at or near Beckley Junction, Raleigh County, West Virginia, to a point at or near Prosperity, all in said County and State, six and six-tenths (6.6) miles, more or less;

18. And also its Loup Creek Branch, extending from a point of connection with the line of railroad formerly known as the South Side Branch of the Chesapeake and Ohio Railway, near Thurmond, in

Fayette County, West Virginia, to a point at or near Sugar Creek, in said County of Fayette, a distance of ten and three-tenths (10.3) miles, more or less; including also the Rend Branch thereof, extending from a point of connection with said Loup Creek Branch, at South Side Junction, in Fayette County, West Virginia, to Minden No. 3, in said County of Fayette, a distance of six and two-tenths (6.2) miles, more or less; and including also the White Oak Branch of said Loup Creek Branch, extending from a point of connection with said Loup Creek Branch, at or near White Oak Junction, in Fayette County, West Virginia, to Oakwood, in said County of Fayette, a distance of three and nine-tenths (3.9) miles, more or less; including also its Price Hill Branch, extending from a point of connection with said Loup Creek Branch at Price Hill Junction, Fayette County, West Virginia, to a point at or near Price Hill, all in said County and State, two and three-tenths (2.3) miles, more or less;

19. And also all that certain line of railroad known as the South Side Branch of the Chesapeake and Ohio Railway, beginning at a point of connection with said main line at Thurmond, and extending to a point of connection with said main line at Bridge Junction, all in the County of Fayette, in the State of West Virginia, a distance of seven and seven-tenths (7.7) miles, more or less;

20. And also its Hawk's Nest Branch, extending from a point of connection with the main line of the Chesapeake and Ohio Railway, at or near Hawk's Nest, in Fayette County, West Virginia, a distance of three and four-tenths (3.4) miles, more or less;

21. And also its Gauley Branch, extending from a point of connection with the main line of the Chesapeake and Ohio Railway, at or near Gauley, in Fayette County, West Virginia, to Greendale in Nicholas County, in said State, a distance of fourteen and two-tenths (14.2) miles, more or less; including also the Open Fork extension of said Gauley Branch, extending from a point of connection with said Gauley Branch at Open Fork Junction in Nicholas County, through Nicholas County into and through a portion of Fayette County, to Carterboro, in Clay County, in said State, a distance of three and five-tenths (3.5) miles, more

or less; and including also the Gauley and Rich Creek extension of said Gauley Branch at Rich Creek Junction, Fayette County, West Virginia, to a point at or near Marshall, all in said County and State, three and one-tenth (3.1) miles, more or less;

22. And also its Powellton Branch, extending from a point of connection with the main line of the Chesapeake and Ohio Railway, at or near Mt. Carbon, in Fayette County, West Virginia, to Powellton, in said Fayette County, in said State, a distance of five and two-tenths (5.2) miles, more or less; including also the extension thereof from Elkridge Junction, in Fayette County, West Virginia, to end of track, in said Fayette County, in said State, a distance of two and eight-tenths (2.8) miles, more or less;

23. And also its Morris Creek Branch, extending from a point of connection with the main line of the Chesapeake and Ohio Railway at or near Morris Creek Junction, in Kanawha County, West Virginia, to Morris Creek, in said Kanawha County, a distance of two and eight-tenths (2.8) miles, more or less;

24. And also its Paint Creek Branch, extending from a point of connection with the main line of the Chesapeake and Ohio Railway at or near Paint Creek Junction, in Kanawha County, West Virginia, to Kingston, in Fayette County, in said State, a distance of twenty-two (22) miles more or less;

25. And also its Cabin Creek Branch, extending from a point of connection with the main line of the Chesapeake and Ohio Railway at Cabin Creek Junction, in Kanawha County, West Virginia, to a point at or near Kayford, in said County and said State, sixteen and three-tenths (16.3) miles, more or less; including also the Leewood Extension thereof, extending from a point of connection with said Cabin Creek Branch, at or near Leewood, in Kanawha County, West Virginia, to the Station known as West Virginia No. 4, in said County, seven and two-tenths (7.2) miles, more or less; including also the Republic Extension of said Cabin Creek Branch, extending from a point of connection with said Leewood Extension of Cabin Creek Branch, at or near Dacota, in Kanawha County, West Virginia, to Republic Mine No. 3, in said County, three and four-tenths

(3.4) miles, more or less; including also the Coal River Extension of Cabin Creek Branch, extending from a point of connection with said Cabin Creek Branch, at or near Red Warrior Junction, in Kanawha County, West Virginia, through Boone County, to a point at or near Packett, in Raleigh County, all in said State, nineteen and five-tenths (19.5) miles, more or less; including also its Clear Fork Branch, extending from a point of connection with said Coal River Extension of Cabin Creek Branch, at or near Colcord, Raleigh County, West Virginia, up Clear Fork Creek to the end of track, all in said County and State, a distance of one and five-tenths (1.5) miles, more or less; including also the Marsh Fork Extension of Cabin Creek Branch, extending from a point of connection with said Coal River Extension of Cabin Creek Branch, at or near Jarrolds Valley, in Raleigh County, West Virginia, to a point at or near Edwight, all in said County and said State, seven and five-tenths (7.5) miles, more or less; including also its Little Marsh Branch, extending from a point of connection with said Marsh Fork Extension of Cabin Creek Branch, at or near Pettus, in Raleigh County, West Virginia, to a point at or near Jarro, all in said County and said State, four and four-tenths (4.4) miles, more or less;

26. And also its line of railroad known as the Coal River District, extending from a point of connection with the main line of the Chesapeake and Ohio Railway, at or near St. Albans, in Kanawha County, West Virginia, through Boone County, Lincoln County, to a point at or near Sovereign, in Logan County, all in said State, a distance of fifty-nine and five-tenths (59.5) miles, more or less; including also its Ivy Creek Branch, extending from a point of connection with said Coal River District, at or near Ivy Junction, in Lincoln County, West Virginia, to a point at or near Ivaton, in said County and State, seven-tenths (0.7) miles, more or less; including also its Horse Creek Branch, extending from a point of connection with said Coal River District, at or near Horse Creek Junction, in Boone County, West Virginia, to a point at or near Silush, in said County and State, nine and nine-tenths (9.9) miles, more or less; including also its Pond Fork Branch, extending from a point of connection with said Coal River District, at or near Madison, in Boone County, West Virginia, to a point at or near

West Fork, in said County and State, eleven and nine-tenths (11.9) miles more or less; including also its Laurel Fork Branch, extending from a point of connection with said Coal River District, at or near Clothier, in Boone County, West Virginia, to a point at or near Selbe, in said County and State, five and three-tenths (5.3) miles, more or less; including also its Beech Creek Branch, extending from a point of connection with said Coal River District, at or near Sharples, in Logan County, West Virginia, to a point at or near Adrossan, in said County and State, four and four-tenths (4.4) miles, more or less;

27. And also its line of railroad known as the Big Coal Branch, extending from a point of connection with said Coal River District, at or near Sproul, in Kanawha County, West Virginia, to a point of connection with the Coal River Extension of Cabin Creek Branch, at Whitesville, in Boone County, West Virginia, thirty-three and five-tenths (33.5) miles, more or less; including also its Brush Creek Branch, extending from a point of connection with said Big Coal Branch, at or near Brushton, in Boone County, West Virginia, to a point at or near Brush Creek, in said County and State, four (4.0) miles, more or less;

28. And also its line of railroad known as the Logan Division, extending from a point of connection with the main line of the Chesapeake and Ohio Railway, at or near Barboursville, in Cabell County, West Virginia, through Lincoln County and Logan County, to a point at or near West Gilbert, in Mingo County, all in said State, ninety and seven-tenths (90.7) miles, more or less; including also its Logan and Southern Branch, extending from a point of connection with the Island Creek Branch (operated under lease) of the Chesapeake and Ohio Railway, at or near Monitor Junction, in Logan County, West Virginia, to a point south of Stirrat, in said County and State, twelve and eight-tenths (12.8) miles, more or less; including also its Dingess Run Branch, extending from a point of connection with said Logan Division, at or near Stollings, in Logan County, West Virginia, to a point at or near Keyes, in said County and State, four and six-tenths (4.6) miles, more or less; including also its Georges Creek Branch, extending from a point of connection with

said Dingess Run Branch, at or near Ethel, in Logan County, West Virginia, to a point at or near Georges Creek, in said County and State, two and four-tenths (2.4) miles, more or less; including also its Rum Creek Branch, extending from a point of connection with said Logan Division, at or near Rum Creek Junction, in Logan County, West Virginia, to a point at or near Slagle, in said County and State, six and six-tenths (6.6) miles, more or less; including also its Buffalo Branch, extending from a point of connection with said Logan Division, at or near Man, in Logan County, West Virginia, to a point at or near Three Forks, in said County and State, fifteen and four-tenths (15.4) miles, more or less; including also its Toney's Fork Branch, extending from a point of connection with said Buffalo Branch at or near Lorado, Logan County, West Virginia to end of line, all in said County and State, a distance of two (2.0) miles, more or less; including also its Huff's Creek Branch, extending from a point of connection with said Logan Division at Huff's Junction, Logan County, West Virginia, to a point at or near Mabel, all in said County and State, two and seven-tenths (2.7) miles, more or less; including also its Elk Creek Branch, extending from a point of connection with said Logan Division, at or near Wylo, in Logan County, West Virginia, to a point at or near Emmett, in said County and State, three and three-tenths (3.3) miles, more or less;

29. And also its line of railroad known as the Big Sandy Division, extending from a point of connection with the main line of the Chesapeake and Ohio Railway at Big Sandy Junction, in Boyd County, Kentucky, through Lawrence County, Johnson County and Floyd County, to a point at or near Elkhorn City, in Pike County of said State, one hundred twenty-seven and nine-tenths (127.9) miles, more or less; including also its Peach Orchard Branch, extending from a point of connection with said Big Sandy Division, at or near Richardson, in Lawrence County, Kentucky, to a point at or near Peach Orchard, in said County and State, three and twenty-five hundredths (3.25) miles, more or less; including also its Elkhorn and Beaver Valley Branch, extending from a point of connection with said Big Sandy Division, at or near Beaver Junction,

in Floyd County, Kentucky, to a point at end of track beyond Wayland, in said County and State, twenty and seven-tenths (20.7) miles, more or less; including also its Greasy Creek Branch, extending from a point of connection with said Big Sandy Division, at or near Sutton, Pike County, Kentucky, and extending to a point at or near Greasy Creek, all in said County and State, three and one-tenth (3.1) miles, more or less; including also its Marrowbone Branch, extending from a point of connection with said Big Sandy Division, at or near Marrowbone, in Pike County, Kentucky, to a point at or near Alleghany, in said County and State, nine (9.0) miles, more or less;

30. And also its line of railroad known as the Lexington District, extending from a point of connection with the Ashland Coal and Iron Railway, at or near Seaton, Carter County, Kentucky, through the Counties of Carter, Rowan, Bath, Montgomery and Clark and into the County of Fayette to a terminus in the City of Lexington, Fayette County, all in the State of Kentucky, one hundred two and seven-tenths (102.7) miles, more or less; including also its Kentucky and South Atlantic Branch, extending from a point of connection with said Lexington District, at or near Mt. Sterling, Montgomery County, Kentucky, through Montgomery County and Menifee County, all in said State, nineteen and five-tenths (19.5) miles, more or less;

31. And also all that certain railroad, property and real estate lying and being in and near the City of Lexington, Kentucky, formerly the property of the Passenger and Belt Railway Company, together with the rights, privileges and appurtenances thereunto belonging, described as follows, to-wit said Passenger and Belt Railway Company's steam railway, known as the Belt Railway, lying and being in and near the City of Lexington, Kentucky, extending from a point of connection with the said Lexington District, near the Eastern limits of said city, to a point on the Cincinnati Southern Railroad, near the western limits of said city, including the track formerly used by the Louisville Southern Railway Company in making connection with the Kentucky Central Railroad, which extends from the Louisville and Nashville Railroad right of way to the Kentucky Central right of way at Cox Street, and also including what is known as the

"Outside Connection", extending up to the right of way of the Louisville and Nashville (formerly L. & E. Ry.), all in the City of Lexington, Kentucky, a distance of four and seventeen-hundredths (4.17) miles, more or less;

32. And also its line of railroad known as the Northern Division, extending from a point of connection with the main line of the Chesapeake and Ohio Railway, at or near Limeville, Greenup County, Kentucky, across the Ohio River, through Scioto and Pike Counties, in the State of Ohio, to a point of connection with the Norfolk and Western Railway, at or near Glen Jean, Pike County, Ohio, thirty and four-tenths (30.4) miles, more or less;

33. And also its Kinniconnick and Freestone Branch, extending from a point of connection with the main line of the Chesapeake and Ohio Railway, at or near Garrison, Lewis County, Kentucky, through the Counties of Lewis and Carter, to a point at or near Carter, Carter County, all in said State, nineteen and eight-tenths (19.8) miles, more or less;

34. And also all that certain railroad property and real estate formerly known as Kanawha Bridge and Terminal Company, beginning at a point of connection with the main line of the Chesapeake and Ohio Railway, at or near Elk, Kanawha County, West Virginia, and extending through said County, across the Kanawha River, into the City of Charleston, to the point of connection with the Kanawha and Michigan Branch of the New York Central Railroad near Virginia Street in said City, all in said County and State, a distance of one and twenty-eight one-hundredths (1.28) miles, more or less.

II

All appurtenances of every of the lines of railroad of the Lessor, whether such appurtenances are at the effective date of this lease owned by the Lessor or may thereafter be acquired by it, to wit:

All telegraph and telephone lines, including all poles, wires and instruments, all rights of way, station and depot grounds, all tunnels, roadbeds, spurs, double tracks, turnouts, switches, sidings and turntables, all superstructures, bridges, stringers, ties, rails, frogs, chairs, bolts, splices, signals and signal apparatus and other railroad appurtenances, all

terminals and terminal properties, all station houses, warehouses, freight houses, engine houses, car houses, tower houses, yard buildings, water stations, water tanks, water supply, fuel stations, fuel tanks, fuel supply, machine shops and other structures, all engines, tenders, cars and other rolling stock and equipment (including floating equipment), all furniture, machinery, tools, implements, materials and supplies, and all other property, real, personal and mixed, appurtenant to any of said lines of railroad and branches, and also all the estate, right, title, interest, property, possession, claim and demand whatsoever, as well in law as in equity, of the Lessor of, in and to said railroads, premises and property, and every part and parcel thereof, with the appurtenances, and the franchises appertaining or hereafter to appertain thereto.

SECOND: All terminals and terminal properties, yards, depots, roundhouses, turntables, stock yards, side and spur tracks, at the effective date of this lease owned by the Lessor or at any time thereafter acquired by it, and all structures, tracks and improvements, fixtures and appurtenances at the effective date of this lease or at any time thereafter constructed on any thereof and pertaining or to appertain to any thereof, and any and all corporate rights, privileges and franchises at the effective date of this lease or at any time thereafter owned by the Lessor and pertaining or to appertain to any thereof.

THIRD: Any and all additions, improvements and betterments at the effective date of this lease owned or thereafter acquired or constructed to or upon or in connection with any and all lines of railroad, extensions, branches, terminal properties, telegraph and telephone lines and lines of water transportation at the effective date of this lease or at any time thereafter acquired and owned by the Lessor; any and all property, real or personal, of every kind and description, at the effective date of this lease owned or at any time thereafter acquired for use upon, or in connection with, or for the purposes of any of such lines of railroad, extensions, branches, terminal properties, telegraph and telephone lines and lines of water transportation.

FOURTH: All leases and leasehold rights, and all trackage, traffic and operating contracts and other rights and all renewals and extensions thereof which at the effective date of this lease are owned by the Lessor or used and en-

joyed by it in the operation of its properties or which at any time hereafter may be acquired or owned by it, including the following:

1. The leasehold rights of the Lessor in and to the so-called Ashland Coal and Iron Railway Company, beginning at a point near the eastern city limits of the city of Ashland, Kentucky, and extending through the city of Ashland to a connection with the main line of the Chesapeake and Ohio Railway, thence in a southwesterly direction to a point of connection with the main line of the Chesapeake and Ohio Railway at or near Seaton, Kentucky, a distance of twenty-five and four hundred sixty-four thousands (25.464) miles, more or less, all within the Counties of Boyd and Carter, Kentucky; and including the so-called Rush Run Branch, a portion of the said Ashland Coal and Iron Railway, beginning at a point of connection with the said Ashland Coal and Iron Railway at Rush, Carter County, Kentucky, and extending up Rush Creek to a point at end of track, all in said county and state, a distance of two and two-tenths (2.2) miles, more or less.

2. And also the leasehold rights of the Lessor in and to the so-called The Covington and Cincinnati Elevated Railroad and Transfer and Bridge Company, beginning at a point of connection with the main line of the Chesapeake and Ohio Railway at the center line of Saratoga Alley, in the City of Covington, Kenton County, Kentucky, and extending through the city of Covington, across the Ohio River, into and through a portion of the City of Cincinnati, Hamilton County, Ohio, into Fourth Street Station, and also to a point of connection with the Cleveland, Cincinnati, Chicago & St. Louis Railway, near Baymiller Street in said City, a distance of one and eight-tenths (1.8) miles, more or less.

3. And also the leasehold rights of the Lessor in and to the so-called The Cincinnati Inter-Terminal Railroad Company, beginning at a point of connection with The Covington and Cincinnati Elevated Railroad and Transfer and Bridge Company at a point in Smith Street, near Second Street, and extending to a point of connection with the Baltimore and Ohio Railroad at Fifth Street (so-called 5th Street Junction), a distance of fifty-seven one-hundredths (0.57) miles, more or less, all within the City of Cincinnati, Hamilton County, Ohio;

4. And also the leasehold rights of the Lessor in and to the line of railroad known as the Chicago Division, extending from a point of connection with the Baltimore and Ohio Railroad at B&O Junction, 8th Street, Cincinnati, Hamilton County, Ohio, through the Counties of Hamilton and Butler, Ohio, the Counties of Franklin, Union, Wayne, Randolph, Henry, Delaware, Grant, Miami, Cass, Fulton, Pulaski, Starke, Porter and Lake, all in the State of Indiana, to a point of connection with the Erie Railroad at H. Y. Tower, Lake County, Indiana, two hundred sixty and seven-tenths (260.7) miles, more or less.

5. And also the leasehold rights of the Lessor in and to the so-called Long Fork Railway Company, beginning at a point of connection with the Elkhorn and Beaver Valley Branch of the Big Sandy division of the Chesapeake and Ohio Railway at or near Martin, Kentucky, and extending in a southwesterly direction beyond Weeksbury, Kentucky, to end of line, a distance of twenty-five and fourteen hundredths (25.14) miles, all within the County of Floyd, Kentucky; including also the so-called Sizemore Branch, a portion of said Long Fork Railway, beginning at a point of connection with said Long Fork Railway at , Floyd County, Kentucky, and extending up Sizemore Branch to a point at end of track, all in said County and State, a distance of one and twenty hundredths (1.20) miles, more or less; also including the so-called Otter Creek Branch, a portion of the said Long Fork Railway, beginning at a point of connection with said Long Fork Railway at Wheelwright Junction, Floyd County, Kentucky, and extending up Otter Creek to end of track at a point near Wheelwright, all in said County and State, a distance of one and seventy-nine hundredths (1.79) miles, more or less; also including the so-called Caleb Fork Branch, a portion of the said Long Fork Railway, beginning at a point of connection with the said Long Fork Railway at or near Weeksbury, Floyd County, Kentucky, and extending up Caleb Fork Branch to a point at end of track, all in said County and State, a distance of one and thirty-four hundredths (1.34) miles, more or less; also including the so-called Clear Creek Branch, a portion of the said Long Fork Railway, beginning at a point of connection with the said Long Fork Railway at or near Clear Creek, Floyd County, Kentucky, and extending up Clear Creek to a point at end

of track, all in said County and State, a distance of four and forty-seven hundredths (4.47) miles, more or less; also including the so-called Wolf Pen Branch, a portion of said Long Fork Railway Company, beginning at a point of connection with the said Long Fork Railway at or near , Floyd County, Kentucky, and extending up Wolf Pen Branch to a point at end of track, all in said County and State, a distance of sixty-three hundredths (.63) miles, more or less; and also including the so-called Jacks Creek Branch, a portion of the said Long Fork Railway, beginning at a point of connection with the said Long Fork Railway at , Floyd County, Kentucky, and extending up Jacks Creek to a point at end of track, all in said County and State, a distance of one and seventy-four hundredth (1.74) miles, more or less.

6. And also the leasehold rights of the Lessor in and to the so-called Millers Creek Railroad Company, beginning at a point of connection with the Big Sandy Division of the Chesapeake and Ohio Railway at or near Van Lear Junction, Johnson County, Kentucky, and extending to end of track beyond Van Lear, all in said County and State, a distance of four and fifty-three hundredths (4.53) miles, more or less.

7. And also the leasehold rights of the Lessor in and to the so-called Orange Branch, being a portion of the railroad known as the Southern Railway, beginning at Orange and extending to a connection with said main line of the Chesapeake and Ohio Railway at Gordonsville, all in the County of Orange, State of Virginia, a distance of nine (9) miles, more or less.

8. And also the leasehold rights of the Lessor in and to the so-called Island Creek Branch, being a portion of the railroad of the Island Creek Railway Company, beginning at a point of connection with the line of railroad known as the Logan Division of the Chesapeake and Ohio Railway, at or near Logan, Logan County, West Virginia, and extending to the end of track, at a point beyond Holden, all in said County and State, a distance of six and six-tenths (6.6) miles, more or less; including also the so-called Mud Fork Branch, a portion of the said Island Creek Railway, beginning at a point of connection with the said Island Creek Branch at Mud Junction, Logan County, West Virginia, and extending up Mud Creek to a point at end of track near Argonne, all in said

County and State, a distance of three and two tenths (3.2) miles, more or less; and also including the so-called Whitman Creek Branch, a portion of the said Island Creek Railway, beginning at a point of connection with the said Island Creek Branch at Whitman Junction, Logan County, West Virginia, and extending up Whitman Creek to a point beyond Whitman, at or near Mine No. 20, all in said County and State, a distance of three and sixty-six hundredths (3.66) miles, more or less; and also including the so-called Trace Fork Branch, a portion of the said Island Creek Railway, beginning at a point of connection with the said Island Creek Branch at or near Holden, Logan County, West Virginia, and extending up Trace Fork Creek to a point at or near Mine No. 21, all in said County and State, a distance of two and sixty-five hundredths (2.65) miles, more or less.

9. The contract rights in and to the so-called Arminius Mines Branch, being a line of railroad owned by the Arminius Chemical Company, beginning at a point of connection with the main line of the Chesapeake and Ohio Railway, at or near Mineral, Louisa County, Virginia, and extending to a point at or near Arminius Mines, all in said County and State, one and fifty-nine hundredths (1.59) miles, more or less;

10. And also the leasehold rights of the Lessor in and to the so-called The Hocking Valley Railway Company, extending from a point at or near Athens, in the County of Athens and State of Ohio, thence through the Counties of Athens, Hocking, Fairfield, Franklin, Delaware, Marion, Wyandotte, Seneca and Wood, all in the State of Ohio, to a point at or near Rockwell Junction, in the County of Wood and State of Ohio, being a distance of one hundred ninety-five and five-tenths (195.5) miles, more or less; and also including the so-called River Division, a portion of the said Hocking Valley Railway, beginning at a point of connection with the said Hocking Valley Railway at or near Old Town, in the County of Hocking, State of Ohio, extending through the Counties of Hocking, Vinton, Gallia and Meigs to Pomeroy, in the County of Meigs, in said State, a distance of eighty and seven-tenths (80.7) miles, more or less; and also including the so-called Straightsville Branch, extending from a point of connection with the main line of the Hocking Valley Railway at or near Logan, in the County of Hocking, State of Ohio,

thence through the Counties of Hocking and Perry, to New Straightsville, in Perry County, in said State, a distance of thirteen (13) miles, more or less; and also including the so-called Monday Creek Branch, extending from a point of connection with the main line of the Hocking Valley Railway at or near Nelsonville, in the County of Athens, State of Ohio, thence through the Counties of Athens and Hocking, to Monday Creek Junction, in Hocking County, in said State, a distance of sixteen and eight-tenths (16.8) miles, more or less; and also including the so-called Snow Fork Branch of the Hocking Valley Railway, extending from a point of connection with the Monday Creek Branch of the Hocking Valley Railway at or near Snow Fork Junction, in the County of Athens, State of Ohio, through the Counties of Athens and Hocking, to Murray City in Hocking County, in said State, a distance of five and seven-tenths (5.7) miles, more or less; and also including the so-called Brush Fork Branch, extending from a point of connection with the Snow Fork Branch of the Hocking Valley Railway at or near Brush Fork Junction (near Orbiston), in the County of Hocking, in the State of Ohio, to New Pittsburgh, in Hocking County, in said State, a distance of two and six-tenths (2.6) miles, more or less; and also including the so-called Sugar Creek Branch of the Hocking Valley Railway, extending from a point of connection with the main line of the Hocking Valley Railway at or near Hocking, in the County of Athens, State of Ohio, to and beyond Poston, in Athens County, in said State, a distance of five and nine-tenths (5.9) miles, more or less.

11. And also the contract rights in and to the so-called Sulphur Mines Branch, being a line of railroad owned by the Sulphur Mining and Railroad Company, beginning at a point of connection with the main line of the Chesapeake and Ohio Railway, at or near Mineral, Louisa County, Virginia, and extending to a point at or near Sulphur Mines, all in said County and State, a distance of four (4) miles, more or less;

12. And also the contract rights in and to the so-called Keeney's Creek Branch, a line of railroad owned by the John Nuttall Estate, beginning at a point of connection with the main line of the Chesapeake and Ohio Railway at Keeney's Creek Junction, Fayette County, West Virginia, and extending to a point at or near Lookout, all in said County and

State, a distance of seven and eighty-two one-hundredths (7.82) miles, more or less;

13. And also the contract rights in and to the so-called Indian Creek Branch, a line of railroad owned by a Coal Company, beginning at a point of connection with the Big Coal Branch of the Chesapeake and Ohio Railway, at or near Myrtle, Boone County, West Virginia, and extending to a point at or near Vass, all in said County and State, a distance of one and five-tenths (1.5) miles, more or less;

14. And also the contract rights in and to the so-called Elk Run Branch, a line of railroad owned by the Mordue Colliery Company, beginning at a point of connection with the Big Coal Branch of the Chesapeake and Ohio Railway, at Elk Run Junction, Boone County, West Virginia, and extending to end of track, at or near Eudrom, all in said County and State, three and seventy-seven hundredths (3.77) miles, more or less;

15. And also the contract rights in and to the so-called Wolf Pit spur, a line of railroad owned by the McKinney Steel Company, beginning at a point of connection with the Marrowbone Branch of the Chesapeake and Ohio Railway, at or near Wolf Pit, Pike County, Kentucky, and extending to end of line, all in said County and State, a distance of one (1.0) miles, more or less;

16. And also the contract rights in and to the so-called Coaldale Branch, a line of railroad owned by the Edgewater Coal Company, beginning at a point of connection with the Marrowbone Branch of the Chesapeake and Ohio Railway at Coaldale Junction, Pike County, Kentucky, and extending to a point at or near Coaldale, all in said County and State, a distance of one and fifty-five hundredths (1.55) miles, more or less:

17. And also the trackage rights of the Lessor in and to the following lines of railroad: (*a*) Portions of the railroad belonging to the Washington Terminal Company and Philadelphia, Baltimore & Washington Railroad Company beginning at a point in the City of Washington, District of Columbia and extending to the south end of the long bridge two and three-tenths (2.3) miles, more or less; (*b*) portions of the railroad belonging to the Washington-Southern Railway Company from the south end of the long bridge to a point of connection with the railroad known as the Southern Railway, in the City of Alexandria, five and eighty-two hundredths (5.82) miles, more or

less; and (c) portion of the railroad known as the Southern Railway extending from the point of connection last above mentioned through the Counties of Arlington, Fairfax, Prince William, Fauquier, Culpepper and Orange to point of connection at Orange, in said County of Orange, with said Orange Branch, all in the State of Virginia, a distance of seventy-six and four-tenths (76.4) miles, more or less.

18. And also all leases, trackage rights, contracts and privileges heretofore acquired from or made, entered into and existing with The Virginia Midland Railway Company, Southern Railway Company, Washington-Southern Railway Company, Norfolk and Western Railway Company, Philadelphia, Baltimore and Washington Railroad Company, The Baltimore and Ohio Railroad Company, Pennsylvania Railroad Company, Philadelphia, Wilmington and Baltimore Railroad Company, The Washington Terminal Company, or any other company, which the Lessor now holds for the purpose of reaching the City of Washington or other points;

19. And also all trackage and other rights which the Lessor now has by contract with the Norfolk and Western Railway Company, between Glasgow and Loch Laird in said County of Rockbridge, a distance of about eight and three-tenths (8.3) miles, and with The Baltimore and Ohio Railroad Company between East Lexington and Lexington, also in said County of Rockbridge, a distance of about one (1) mile;

20. And also all trackage rights, contracts and privileges heretofore acquired from or made and entered into and existing with the Louisville and Nashville Railroad Company over its line from a point in the City of Lexington, Kentucky, at a connection with the line known as the Lexington District of the Chesapeake and Ohio Railway, and extending thence a distance of eighty-four and four-tenths (84.4) miles, more or less, through the Counties of Fayette, Scott, Woodford, Franklin, Shelby and Jefferson, to a point within the City of Louisville, Jefferson County, Kentucky;

21. And also all trackage rights, contracts and privileges heretofore acquired from or made and entered into and existing with the Norfolk and Western Railway Company over its line from a point at or near Glen Jean, Pike County, Ohio, at a connection with the line known as the Northern Division of the Chesapeake and Ohio Railway, and extending thence sixty-two (62.0) miles, more or less, through the

Counties of Pike, Ross, Pickaway, and Franklin, to a point of connection with the Hocking Valley Railway at Valley Crossing, in Franklin County, Ohio;

22. And also all trackage rights, contracts and privileges heretofore acquired from or made and entered into and existing with The Hocking Valley Railway Company over its line, from a point of connection with the Norfolk and Western Railway at Valley Crossing to Parsons Yard, all in Franklin County, Ohio, ninety-one-hundredths (0.91) of a mile, more or less;

23. And also all trackage rights, contracts and privileges heretofore acquired from or made and entered into with the Cleveland, Cincinnati, Chicago and St. Louis Railway Company over its line from a point at or near Rose Street to a point at or near Wood Street, all within the City of Cincinnati, Hamilton County, Ohio;

24. And also all trackage rights, contracts and privileges heretofore acquired from or made and entered into with The Baltimore and Ohio Railroad Company over its line from a point at or near Fifth Street, at a connection with The Cincinnati Inter-Terminal Railroad Company, thence to a point at or near Eighth Street, at a point of connection of the Chicago Division of the Chesapeake and Ohio Railway, known as the B&O Junction, all within the City of Cincinnati, Hamilton County, Ohio, seventy-three one-hundredths (0.73) of a mile, more or less;

25. And also all trackage rights, contracts and privileges heretofore acquired from or made and entered into with the Erie Railroad Company over its line from a point of connection with the line known as the Chicago Division of the Chesapeake and Ohio Railway at H Y Tower, Lake County, Indiana, to the Indiana-Illinois State Line, two and fifty-seven one-hundredths (2.57) miles, more or less;

26. And also all trackage rights, contracts and privileges heretofore acquired from or made and entered into and existing with the Chicago and Western Indiana Railroad Company over its line from a point of conection with the Erie Railroad at the Indiana-Illinois State Line, through Cook County, Illinois, to a point at Polk Street, in the City of Chicago, said County and State, nineteen and seventy-nine hundredths (19.79) miles, more or less.

[Description to be corrected and amplified if necessary]

FIFTH: The following shares of stock:

Stocks	Shares	Each	Par Value
Ashland Coal and Iron Railway Company	15,470	$50.	$773,500.00
Big Sandy Railway Company	1,000	100.	100,000.00
Chesapeake Mineral Company	100	100.	10,000.00
The Chesapeake and Ohio Railway Company	110	100.	11,000.00
The Chesapeake and Ohio Railway Company of Indiana	59,988	100.	5,998,800.00
The Chesapeake and Ohio Northern Railway Company	40,286	100.	4,028,600.00
The Chesapeake and Ohio Grain Elevator Company	5,000	100.	500,000.00
The Chesapeake and Ohio Equipment Corporation	15,000	100.	1,500,000.00
Cincinnati Inter-Terminal Railroad Company Prfd.	875	100.	87,500.00
Coal River Railway Company	1,000	100.	100,000.00
The Covington Short Route Transfer Railway Company	100	100.	10,000.00
The Covington and Cincinnati Elevated Railroad and Transfer and Bridge Company	15,000	100.	1,500,000.00
Elizabethtown, Lexington & Big Sandy Railroad Company	35,038¼	100.	3,503,825.00
Elkhorn and Beaver Valley Railway Company	300	100.	30,000.00
First National Bank Building Corporation	1,800	100.	180,000.00
Glen Jean, Lower Loup and Deepwater Railroad Company	751	100.	75,100.00
The Greenbrier and New River Railroad Company	1,000	100.	100,000.00
Greensboro, Northern and Atlantic Railway Company	70	100.	7,000.00
Guyandot Valley Railway Company	10,163	100.	1,016,300.00
The Hocking Valley Railway Company	88,379	100.	8,837,900.00
Kentucky and South Atlantic Railroad Company	1,500	100.	150 000.00
The Kinniconnick and Freestone Railroad Company	887	100.	88,700.00
Levisa River Railroad Company	500	100.	50,000.00
Lexington Union Station Company, Prfd.	309	100.	30,900.00
Lexington Union Station Company	50	100.	5,000.00
Logan and Southern Railway Company	3,000	100.	300,000.00
Long Fork Railway Company	5,000	100.	500,000.00
Louisville and Jeffersonville Bridge Company	4,750	100.	475,000.00
Maysville and Big Sandy Railroad Company	149,890	50.	7,494,500.00
Millers Creek Railroad Company	17	100.	1,700.00
Newport News Coal Exchange, Incorporated	1	50.	50.00
Norfolk Terminal and Transportation Company	1,000	100.	100,000.00
Norfolk and Portsmouth Belt Line Railway Company	72	100.	7,200.00
Ohio and Big Sandy Railroad Company	9,940	100.	994,000.00
Ohio River and Charleston Railway Company of Kentucky	500	100.	50,000.00
Old Point Comfort Improvement Company	186	100.	18,600.00
Piney River and Paint Creek Railroad Company	1,500	100.	150,000.00
Raleigh and Southwestern Railway Company	1,000	100.	100,000.00
Rich Patch Land Company	4,000	1.	4,000.00
Richmond-Washington Company	4,450	100.	445,000.00
Rock Castle Railroad Company	388	100.	38,800.00
Sandy Land and Development Company	150	100.	15,000.00
Seat—Produce Exchange	....	....	Record
Silver Grove Land and Building Company	1,500	100.	150,000.00
Virginia Air Line Railway Company—Preferred	1,000	100.	100,000.00
Virginia Air Line Railway Company—Common	4,000	100.	400,000.00
Virginia State Fair Association	8	25.	200.00
Western Pocahontas Corporation	2,500	100.	250,000.00
Western Pocahontas Fuel Company	10,000	100.	1,000,000.00
White Sulphur Springs, Incorporated	26,000	100.	2,600,000.00
New York Produce Exchange—Associate Membership	....	....	....

[Description to be corrected and amplified if necessary]

SIXTH: The following bonds, notes and certificates of indebtedness:

Bonds and Notes	Class	Rate	Par Value
The Chesapeake and Ohio Grain Elevator Company	1st Mtge.	4 %	$368,000.00
The Chesapeake and Ohio Grain Elevator Company	1st Mtge.	6 %	10,000.00
The Chesapeake and Ohio Grain Elevator Company	Income	4 %	411,000.00
The Chesapeake and Ohio Railway Company	G F & I Mtge.	5 %	7,302,000.00
The Chesapeake and Ohio Railway Company Mortgage Bonds of 1922	1st Mtge.	6 %	142,000.00
The Chesapeake and Ohio Equipment Corporation	Eqpt. Notes A	5 %	4,800,000.00
	Eqpt. Notes B	5 %	640,000.00
	Eqpt. Notes C	5 %	470,000.00
	Eqpt. Notes D	5 %	1,750,000.00
	Eqpt. Notes E	5 %	1,476,000.00
	Eqpt. Notes F	5 %	646,000.00
	Eqpt. Notes G	4½%	640,000.00
The Chesapeake and Ohio Equipment Corporation	Notes	4½%	3,632.40
The Chesapeake and Ohio Northern Railway Company	Notes	6 %	240,384.00
City of Manchester, Virginia	1st Mtge.	8 %	15,000.00
The Covington and Cincinnati Elevated Railroad and Transfer and Bridge Company	1st Mtge.	5 %	3,240,000.00
The Chesapeake and Ohio Railway Company.	F L & I Mtge.	5 %	66,842,000.00
The Chesapeake and Ohio Railway Company.	Gen'l Mtge.	4½%	487,000.00
The Chesapeake and Ohio Railway Company.	1st Consol.	5 %	142,009 00
The Chesapeake and Ohio Railway Company of Indiana	1st Mtge.	5 %	7,711,000.00
The Chesapeake and Ohio Railway Company of Indiana	Notes	6 %	993,508.28
Daily Press Incorporated	1st Mtge.	5 %	1,000.00
Elizabethtown, Lexington and Big Sandy Railroad Company	1st Mtge.	5 %	3,282,000.00
	2nd Mtge.	6 %	550,000.00
	Debenture	6 %	489,000.00
Elkhorn and Beaver Valley Railway Company.	1st Mtge.	5 %	1,068,000.00
Greenbrier and New River Railroad Company.	1st Mtge.	5 %	555,000.00
The Hocking Valley Railway Company	Note	6 %	700,000.00
Kanawha Bridge and Terminal Company	1st Mtge.	5 %	5,000.00
Kentucky and South Atlantic Railroad Company	1st Mtge.	5 %	110,000.00
Kinniconnick and Freestone Railroad Company	1st Mtge.	6 %	100,000.00
	Income	6 %	100,000.00
Kineon Coal Company	1st Mtge.	5 %	198,000.00
Logan and Southern Railway Company	Note	6 %	6,105.73
Long Fork Railway Company	1st Mtge.	6 %	1,347,500.00
Maysville and Big Sandy Railroad Company.	1st Mtge.	5 %	7,500,000.00
Norfolk Glass Company	2nd Mtge.	7 %	1.875.00
Ohio and Big Sandy Railroad Company	Notes	6 %	56,800.00
	Obligations	6 %	572,977.71
Raleigh & Southwestern Railway Company	1st Mtge.	4 %	40,000.00
Richmond and Alleghany Railroad Company.	Notes	.	846,000.00
Richmond Standard Steel Spike and Iron Company	1st Mtge.	5 %	10,000.00
Southern Improvement Company	1st Mtge.	5 %	385,000.00
Toledo, St. Louis and Western Railroad Company	1st Mtge.	4 %	400,000.00
United States Government Liberty Loan Bonds	Coupon Notes	4¼%	78,500.00
United States Treasury Notes	Coupon Notes	4¾%	3,550,000.00
United States Treasury Notes	Coupon Notes	4¼%	550,000.00
Western Pocahontas Corporation	Extn. Mtge.	4½%	17,000.00
Western Pocahontas Fuel Company	Coupon Notes	5 %	1,000,000.00

[Description to be corrected and amplified if necessary]

SEVENTH: All other railroads, lines of railroad, extensions, branches and bridges, lands, equipment (including floating equipment), rolling stock, property, rights, and generally all property, real and personal, including stocks, bonds, obligations and indebtedness, rights, privileges and franchises owned by the Lessor at the effective date of this lease or at any time thereafter acquired and owned by it.

EIGHTH: All the corporate rights, franchises and privileges of the Lessor necessary to be enjoyed and exercised by the Lessee for the proper maintenance and use, operation and management of the leased properties, including the right to fix and establish from time to time and to collect, receive and appropriate to the Lessee's own use all tolls, rates and charges for the transportation of persons, property and mails not inconsistent with the requirements of such existing or hereafter enacted laws, federal or state, as may be constitutionally enforceable, and also the right to collect, receive and appropriate to the Lessee's own use all other income and revenue of every kind and description, of and from the leased properties; *provided, however,* that nothing herein contained shall operate to grant or demise, or be construed to include, the franchise to be a corporation possessed by the Lessor, or any other right, privilege or franchise of the Lessor which is, or may be, necessary to enable the Lessor to carry out the provisions of this lease, or to fully preserve the corporate existence and organization of the Lessor; and its said franchise to be a corporation, and all the rights, privileges and franchises requisite for the preservation of its corporate existence and organization, and for the proper performance by the Lessor of the terms of this lease, are hereby expressly reserved and excepted from this lease.

NINTH: All property commonly known as current assets (except as provided in the following clause Tenth), including cash on hand or deposited in banks, special deposits, time deposits, notes, accounts and bills receivable, obligations of the United States of America, materials and supplies on hand or in transit, prepaid insurance premiums, discounts prepaid upon bills payable, prepaid taxes and all other prepayments, traffic and car service balances receivable, net balances receivable from agents and conductors and interest and dividends receivable.

TENTH: All other property of the Lessor, real, personal and mixed, of whatsoever kind and wheresoever situated, whether owned by the Lessor at the effective date of this lease or at any time thereafter acquired and owned by it, excepting only

(1) the books and records of the Lessor (other than those relating to the operation and accounts of the leased properties, which shall be turned over to the Lessee);

(2) deposits for the payment of dividends upon the shares of the outstanding capital stock and for the payment of interest upon the outstanding bonds and other obligations of the Lessor; and

(3) the payments to be made by the Lessee to and for account of the Lessor under this lease, and the rights of the Lessor against the Lessee arising out of this lease or out of the covenants and agreements of the Lessee herein contained.

TO HAVE AND TO HOLD the leased properties and their appurtenances, together with the proceeds, rents, issues and profits thereof, unto the Lessee, its successors and assigns, for its or their own proper use and benefit, from the day of , 1925, for the term of Nine Hundred and Ninety-nine (999) years then next ensuing;

SUBJECT, HOWEVER, to the lien or charge of the following described instruments insofar as the same may by their terms respectively attach to any part or parts of the leased properties, namely:

(1) General Funding and Improvement Mortgage of The Chesapeake and Ohio Railway Company dated January 2, 1909, to United States Mortgage and Trust Company and Thomas W. Purcell (substituted Trustee for William H. White, deceased), Trustees;

(2) Four and One-Half Per Cent. Twenty-Year Convertible Gold Bond Mortgage of The Chesapeake and Ohio Railway Company dated April 28, 1910, to United States Mortgage and Trust Company, Trustee;

(3) First Lien and Improvement Mortgage of The Chesapeake and Ohio Railway Company dated December 1, 1910, to United States Mortgage and Trust Company and William H. White, Trustees;

(4) First Mortgage of Raleigh and Southwestern Railway Company dated July 1, 1906, to Central Trust Company of New York, Trustee (Central Union Trust Company of New York, Trustee, successor);

(5) First Consolidated Mortgage of The Chesapeake and Ohio Railway Company dated January 1, 1889, to Central Trust Company of New York, Trustee (Central Union Trust Company of New York, Trustee, successor);

(6) First Mortgage of the Craig Valley Branch of The Chesapeake and Ohio Railway Company dated July 1, 1890, to Central Trust Company of New York, Trustee (Central Union Trust Company of New York, Trustee, successor);

(7) First Mortgage of Green Brier Railway Company dated October 23, 1900, to Colonial Trust Company, Trustee (The Equitable Trust Company of New York, Trustee, successor);

(8) First Mortgage of the Warm Springs Valley Branch of The Chesapeake and Ohio Railway Company dated November 10, 1890, to Central Trust Company of New York, Trustee (Central Union Trust Company of New York, Trustee, successor);

(9) First Mortgage of Big Sandy Railway Company dated June 1, 1904, to Central Trust Company of New York, Trustee (Central Union Trust Company of New York, Trustee, successor);

(10) First Mortgage of Paint Creek Branch of The Chesapeake and Ohio Railway Company dated February 1, 1905, to Central Trust Company of New York, Trustee (Central Union Trust Company of New York, Trustee, successor);

(11) First Mortgage of The Chesapeake and Ohio Northern Railway Company dated October 1, 1915, to Commercial Trust Company of Philadelphia, Trustee (Bank of North America and Trust Company of Philadelphia, Trustee, successor);

(12) First Mortgage of Coal River Railway Company dated April 1, 1905, to Central Trust Company of New York, Trustee (Central Union Trust Company of New York, Trustee, successor);

(13) Five Per Cent. Convertible Thirty-Year Secured Gold Bond Mortgage of The Chesapeake and Ohio Railway Company dated April 1, 1916, to Central Trust Company of New York, Trustee (Central Union Trust Company of New York, Trustee, successor);

(14) First Mortgage of Potts Creek Branch of The Chesapeake and Ohio Railway Company dated July 1, 1906, to Central Trust Company of New York, Trustee (Central Union Trust Company of New York, Trustee, successor);

(15) First Mortgage of Kanawha Bridge and Terminal Company dated April 1, 1908, to Fidelity Trust Company of Philadelphia, Trustee;

(16) First Mortgage of Virginia Air Line Railway Company dated May 1, 1907, to Franklin Trust Company of New York, Trustee (The Bank of America, Trustee, successor);

(17) First Consolidated Mortgage of Richmond and Allegheny Railway Division of The Chesapeake and Ohio Railway Company dated January 20, 1890, to Central Trust Company of New York (Central Union Trust Company of New York, successor) and Henry T. Wickham, Trustees;

(18) Second Consolidated Mortgage of Richmond and Allegheny Railway Division of The Chesapeake and Ohio Railway Company dated January 20, 1890, to Central Trust Company of New York (Central Union Trust Company of New York, successor) and Henry T. Wickham, Trustees;

(19) Four and One-Half Per Cent. General Mortgage of The Chesapeake and Ohio Railway Company dated February 23, 1892, to Central Trust Company of New York (Central Union Trust Company of New York, successor) and Henry T. Wickham, Trustees;

(20) Equipment Trust Agreement (Equipment Trust Series "O") dated January 15, 1916, between Harry E. Righter and Wm. L. Fry, Vendors; the Lessor; and Commercial Trust Company of Philadelphia, Trustee (The Bank of North America and Trust Company, Philadelphia, successor);

(21) Equipment Trust Agreement (Equipment Trust Series "P") dated December 1, 1916, between Harry E. Righter and Andrew S. Hannum, Vendors; the Lessor; and Commercial Trust Company of Philadelphia, Trustee (The Bank of North America and Trust Company, Philadelphia, successor);

(22) Equipment Trust Agreement (Equipment Trust of Elkhorn Piney Coal Mining Company, Series "A") dated March 10, 1922, between Elkhorn Piney Coal Mining Company; the Lessor; and Girard Trust Company, Trustee;

(23) Equipment Trust Agreement (Equipment Trust Series "R") dated April 2, 1917, between Harry E. Righter and Andrew S. Hannum, Vendors; the Lessor; and Commercial Trust Company of Philadelphia, Trustee (The Bank of North America and Trust Company of Philadelphia, successor);

(24) Equipment Trust Agreement (Equipment Trust Series "S") dated December 1, 1920, between Harry E. Righter and Andrew S. Hannum, Vendors; the Lessor; and Commercial Trust Company of Philadelphia, Trustee (The Bank of North America and Trust Company of Philadelphia, successor);

(25) Equipment Trust Agreement (Equipment Trust Series "No. 13") dated January 15, 1920, between John Barton Payne, as Director General of Railroads; the Lessor; and Guaranty Trust Company of New York, Trustee;

(26) Equipment Trust Agreement (Equipment Trust Series "No. 13-A") dated January 15, 1920, between John Barton Payne, as Director General of Railroads; the Lessor; and Guaranty Trust Company of New York, Trustee;

(27) Equipment Trust Agreement (Equipment Trust Series "T") dated April 15, 1922, between Andrew S. Hannum and Granville H. Davis, Vendors; the Lessor; and Commercial Trust Company of Philadelphia, Trustee (Bank of North America and Trust Company, successor);

(28) Equipment Trust Agreement (Equipment Trust Series "U") dated March 15, 1923, between H. F. Lohmeyer and H. C. Strong, Vendors; the Lessor; and Guaranty Trust Company of New York, Trustee;

(29) Equipment Trust Agreement (Equipment Trust Series "V") dated July 1, 1924, between H. F. Lohmeyer and H. C. Strong, Vendors; the Lessor; and Guaranty Trust Company of New York, Trustee.

(Descriptions to be corrected and amplified if necessary)

AND SUBJECT ALSO to all other existing mortgages and other liens upon and trusts affecting the leased properties or any part thereof, and to all valid contracts, agreements and covenants relating thereto or to any part thereof, and, to the full extent to which the leased properties are now so subject, to the Lessor's entire funded and other debts, obligations and liabilities, fixed and contingent, whether or not herein specifically mentioned or referred to; the Lessee, its successors and assigns yielding and paying therefor to or for account of the Lessor, its successors and assigns, at the times and in the manner hereinafter provided, the amounts hereinafter specified, and keeping and performing all and singular the covenants and agreements hereinafter set forth to be kept and performed by the Lessee.

And it is hereby further mutually covenanted and agreed by and between the parties hereto as follows:

ARTICLE ONE

CAPITAL STOCK OF LESSOR AND LESSEE

SECTION 1. The Lessor covenants that it has an authorized capital stock of One Hundred Eighty-five Million Three Thousand Two Hundred Dollars ($185,003,200), divided into One Million Eight Hundred Fifty Thousand Thirty-two (1,850,032) shares of the par value of One Hundred Dollars ($100) each, consisting of Three Hundred Thousand Thirty-two (300,032) shares of Preferred Stock, of which One Hundred Twenty-five Thousand Six Hundred Seventeen (125,617) shares have been issued and are outstanding in the hands of the public and One Hundred Seventy-four Thousand Four Hundred Fifteen (174,415) shares have not been issued; and of One Million Five Hundred Fifty Thousand (1,550,000) shares of Common Stock of which Six Hundred Fifty-Four Thousand One Hundred Twenty-eight (654,128) shares and Stock Scrip amounting to One Thousand Nine Hundred Twenty-Five Dollars ($1,925) issued in conversion of its Five (5) per cent Convertible Secured Gold Bonds have been issued and are outstanding in the hands of the public and One Hundred Ten (110) shares have been issued and fully paid for but are held in the treasury of the Lessor, and Eight Hundred Ninety-five Thousand Seven Hundred Forty-three (895,743) shares, less Stock Scrip amounting to One Thousand Nine Hundred Twenty-five Dollars

($1,925) par value outstanding and for which shares of Common Stock may be issued, have not been issued.

SECTION 2. The Lessee covenants that it has an authorized capital stock of Three Hundred Forty-five Million Dollars ($345,000,000) divided into Three Million Four Hundred Fifty Thousand (3,450,000) shares of the par value of One Hundred Dollars ($100) each, of which One Million Five Hundred Fifty Thousand Five Hundred (1,550,500) shares are six per cent. (6%) cumulative preferred stock, Series "A" (hereinafter called Preferred Stock, Series "A", of the Lessee), and One Million Eight Hundred Ninety-nine Thousand Five Hundred (1,899,500) shares are Common Stock. Of said authorized capital stock of the Lessee there remains unissued a sufficient number of shares of Preferred Stock, Series "A", and of Common Stock of the Lessee for the purposes set forth in Article Two of this lease which the Lessee is duly authorized to issue for such purposes.

ARTICLE TWO

COVENANTS OF LESSEE

The Lessee covenants with the Lessor as hereinafter in this Article Two set forth:

SECTION 1. (1) To give notice of this lease, promptly after the execution and delivery hereof, to each and every holder of a share or shares of the capital stock of the Lessor, by a notice in writing, setting forth in full this Section 1, a copy of which notice shall be mailed to each such stockholder at his last-known post office address as shown by the records of the Lessor, or, in case no such address shall be so shown, then in care of the Lessor's secretary, and shall be published at least once a week for three successive weeks in one newspaper of general circulation in the City of New York and in one newspaper of general circulation in the City of Richmond, Virginia; and (2) to issue at any time within one year from the date of the execution and delivery of this lease, upon demand of holders of shares of the capital stock of the Lessor whenever theretofore issued and without expense to them (except as hereinafter provided in respect of adjustment of dividends), in exchange for and upon surrender to the Lessee, either at its principal office, 1200 Marshall Building, Cleveland, Ohio, or at the office of J. P. Morgan & Co., 23 Wall Street, New York City, of the certificates for the shares of the capital stock of the Lessor held by them respectively, properly endorsed in blank for transfer or accompanied by proper instruments of assignment executed in blank, certificates for shares of the capital stock of the Lessee, upon the following bases:

For each One Hundred (100) shares of Preferred

Stock of the Lessor (whether First Preferred, Second Preferred or 6½% Cumulative Preferred), One Hundred Fifteen (115) shares of Preferred Stock, Series "A", of the Lessee; and

For each One Hundred (100) shares of Common Stock of the Lessor, Fifty-five (55) shares of Preferred Stock, Series "A", and Fifty-five (55) shares of Common Stock of the Lessee.

The Lessee further agrees to issue to the holders of any Five Per Cent. Convertible Thirty-Year Secured Gold Bonds of the Lessor, in exchange for and upon surrender of such bonds in bearer form with all unmatured coupons attached thereto, shares of the capital stock of the Lessee as follows:

(1) If so surrendered on or before April 1, 1926, 55/90 of one share of Preferred Stock, Series "A", and 55/90 of one share of Common Stock of the Lessee for each One Hundred Dollars ($100) principal amount of said convertible bonds so surrendered for exchange.

(2) If so surrendered after April 1, 1926, and on or before April 1, 1936, 55/100 of one share of Preferred Stock, Series "A", and 55/100 of one share of Common Stock of the Lessee for each One Hundred Dollars ($100) principal amount of said convertible bonds so surrendered for exchange.

Should any stockholder of the Lessor or any holder of said convertible bonds of the Lessor be entitled to receive a fraction of a share of stock of the Lessee upon any exchange as aforesaid, a certificate of ownership thereof shall be issued to him. Such certificate shall provide that, when certificates for fractions of shares of stock equal to one or more whole shares shall be presented and surrendered to the Lessee, a certificate for a full share or full shares of its stock, equivalent in amount to the aggregate of such fractions of shares, shall be issued in place thereof, but fractions of shares shall not be entitled to any interest or dividends, nor shall any holder thereof be entitled to vote thereon at any meeting of the Lessee's stockholders or to notice of any such meeting.

All shares of stock and/or bonds of the Lessor received by the Lessee upon any exchange as aforesaid shall become and be the property of the Lessee, to be thereafter held or disposed of by it as it may in its discretion determine.

Upon any exchange of stock as aforesaid, there shall be a dividend adjustment as follows, to-wit:

It is contemplated that dividends on the Lessee's stock, both Preferred Stock, Series "A", and Common Stock,

will be paid on the first days of January, April, July and October for the quarters consisting of the three calendar months next respectively preceding, and that such dividends will be payable to stockholders of record at the close of business on the fifteenth days of November, February, May and August of the quarters for which the dividends are respectively paid.

It is contemplated that dividends on the Lessor's capital stock, both Preferred and Common (other than stock of the Lessor owned by the Lessee) will continue to be paid on the first days of January and July for the six calendar months next respectively preceding, and that such dividends will in each case be payable to stockholders of record at the close of business on the first day of the month next preceding the date of such dividend payment.

Upon the exchange of any shares of capital stock of the Lessor for any shares of capital stock of the Lessee, between the close of business on December and February 15, or June and August 15, there shall be no dividend adjustment.

Upon the exchange of any shares of capital stock of the Lessor for any shares of capital stock of the Lessee, between the close of business on February 15 and May 15, or August 15 and November 15, the Lessee shall, in addition to delivering the certificate for its stock as aforesaid, pay to the stockholder in cash one dollar and fifty cents ($1.50) for each share of the Lessee's stock to be delivered in exchange.

Upon the exchange of any shares of capital stock of the Lessor for any shares of capital stock of the Lessee, between the close of business on May 15 and June , or November 15 and December , the Lessee shall in addition to delivering the certificate for its stock as aforesaid, pay to the stockholder in cash three dollars ($3.00) for each share of the Lessor's stock to be delivered in exchange.

If the first or fifteenth day of any month shall fall on a Sunday or a legal holiday, the next succeeding business day shall take its place.

If any change should be made in the dates of dividend payments or in the taking of a record of stockholders for such payments or in the rate of dividends on stock of the Lessee, the dividend adjustment shall be changed correspondingly.

SECTION 2. (A) To give notice of this lease, within sixty (60) days after the execution and delivery hereof, to each and every holder of a share or shares of the capital stock of the Lessor who shall not theretofore, by

vote or otherwise, in person or by proxy, as to his said share or shares, have assented to this lease. Such notice shall be in writing, and shall set forth in full Sections 1 and 2 of this Article, and a copy thereof shall be mailed to each of such stockholders, hereinafter in this Section referred to as "non-assenting stockholders", at his last-known post office address as shown by the records of the Lessor, or, in case no such address shall be so shown, then in care of the Lessor's secretary.

(B) To pay in cash to, or to deposit in cash with to the credit of, each non-assenting stockholder who shall be dissatisfied with this lease and who shall, at any time within sixty (60) days from the date of the mailing of the notice provided for in part (A) of this Section, signify his dissent and demand payment, pursuant to the provisions of this part (B) of this Section, for his non-assenting share or shares, by notice in writing signed by him and delivered to the Lessee's secretary, upon the surrender and transfer of the certificate or certificates representing his said non-assenting share or shares as hereinafter provided, and in full compromise, settlement and adjustment of all his claims, rights and objections in the premises, and if, but not unless, this lease shall have continued and shall then be in full force and effect, the average market value (determined as hereinafter provided) of his said non-assenting share or shares for the six months next preceding the day of the meeting of stockholders of the Lessor at which this lease was approved, to wit....., 1925, without regard to any depreciation or appreciation in consequence of this lease, together with interest on such value at the rate of six per centum (6%) per annum from the effective date of this lease to the date of the payment of the amount of such value and interest to said stockholder, or of the deposit thereof to his credit; *provided, however,* that if the market prices, or any of them, during said period were or shall be abnormally enhanced or depressed in contemplation of this lease or otherwise, evidence other than proof of market sales during that period may be resorted to for the purpose of showing such average market value. After so signifying his dissent and demanding payment, the non-assenting stockholder may not recant his action in this regard or assert any right or avail himself of any remedy whatever except as in this part (B) of this Section provided. If any such non-assenting stockholder and the Lessee cannot agree as to such average market value, computed under the terms and conditions above provided, it shall be determined and fixed, pursuant to said terms and conditions, by three appraisers to be appointed, upon application and notice

as hereinafter provided, by the Interstate Commerce Commission or in such manner as said Commission may provide, or, in case said Commission shall fail within thirty (30) days after such application either to appoint such appraisers or to provide the manner of their appointment, then to be appointed by a Judge of the United States District Court for the Eastern District of Virginia.

Any such application may be made either by said non-assenting stockholder or by the Lessee within the times following:

(1) To the Interstate Commerce Commission, within thirty (30) days after said non-assenting stockholder shall have so signified his dissent and demanded payment;

(2) In case said Commission shall fail or refuse to act within thirty (30) days after such application, then, within thirty (30) days thereafter, to said United States District Judge;

and the applying party shall give to the other party at least ten (10) days' written notice of each such application, which notice must specify the time when and the place where such application will be made; but if, at the expiration of any such period of thirty (30) days, the person in whose name said share or shares shall stand on the books of the Lessor shall not be living or shall be under any disability, his executor, administrator, guardian, committee, conservator, or other proper representative, as the case may be, shall be entitled to make such application within thirty (30) days thereafter upon like notice. If said Judge shall fail within thirty (30) days after such application to him to appoint such appraisers, then such average market value, computed under the terms and conditions above provided, shall be determined and fixed, pursuant to the said terms and conditions, by an appraiser selected and designated for the purpose by the non-assenting stockholder, and an appraiser selected and designated for the purpose by the Lessee, and a third appraiser to be chosen by these two.

Any vacancy in the board of appraisers occurring by refusal or failure to serve, or otherwise, shall be filled by the remaining member or members of the board.

The appraisers shall be entitled to reasonable compensation for their services and to reimbursement for their necessary and reasonable expenses, and such compensation and expenses shall be paid by the Lessee.

The appraisers shall meet at a time and place to be selected by them and of which ten (10) days' written notice shall be given by them to each party, and, after

being duly sworn honestly and faithfully to discharge their duties, they, or any two of them, shall estimate and certify such average market value and deliver one copy of their appraisal to each party. Their appraisal, or that of any two of them, shall be final and conclusive upon both parties.

When the Lessee shall have paid to said non-assenting stockholder the amount of such value, whether determined and fixed by agreement or by appraisal, as aforesaid, together with interest thereon, as hereinbefore provided, or shall have deposited the same to his credit with , said non-assenting stockholder shall cease to have any title to or interest in said share or shares or in the property of the Lessor, and all such title and interest shall pass to and vest in the Lessee.

As an express condition precedent to receiving payment or withdrawing such deposit said non-assenting stockholder shall deliver to the Lessee or, in case such deposit shall have been made with said , then to said , his said non-assenting share or shares and the certificate or certificates representing the same, duly endorsed in blank for transfer or accompanied by proper instruments of transfer executed in blank, and said share or shares, together with all rights and interests thereunto belonging and appertaining, including all cash, securities and other benefits accruing to said share or shares from or by reason of this lease, or otherwise, shall thereupon become and be the property of the Lessee.

(C) To buy and pay for, in such amount and manner, the non-assenting share or shares of any such non-assenting stockholder who shall not have elected to make settlement pursuant to the foregoing part (B) of this Section, as may be finally ordered, adjudged, decreed or determined by the order, judgment, decree or determination of any court, commission or other tribunal, state or federal, of competent jurisdiction, and to hold the Lessor, its directors, officers, agents and employees, harmless against any payment, claim or liability which may be so ordered, adjudged, decreed or determined; *provided, however,* that the Lessee shall have the right, which is hereby expressly reserved, to remove, pursuant to the statutes in such case made and provided, any action, suit or proceeding instituted by said stockholder, from the court or tribunal in which same shall be pending to any other court or tri-

bunal, state or federal, and to procure the review or enjoin the enforcement of any such order, judgment, decree or determination either by appeal, writ of error, certiorari, suit in equity or otherwise, pursuant to law and the statutes in such case made and provided, by any court or tribunal, state or federal, having jurisdiction to review or enjoin the enforcement of the same; and *provided, further,* that nothing herein contained shall require the Lessee to buy any such share or shares or to make any such payment as long as the Lessee in good faith and by appropriate legal proceedings shall contest the validity of or seek to review any such order, judgment, decree or determination, and that nothing in this Section shall be construed to create any right, obligation or presumption in favor of any non-assenting stockholder or any other person who shall not elect, subscribe to and be governed by the provisions of said part (B) of this Section, it being the true intent and purpose of all provisions of this Section in respect of non-assenting stockholders that no covenants, agreements or arrangements herein shall be construed as creating any right against or obligation on the part of the Lessee or the Lessor, or any presumption of any such right or obligation, except as in part (B) of this Section expressly provided, and except the contingent obligation of the Lessee to the Lessor provided in this part (C) of this Section. Except where non-assenting stockholders shall accept and elect and be governed by the provisions of part (B) of this Section, the Lessee shall be free to deny or contest in good faith not only the amount but the fact of any liability to dissenting or non-assenting stockholders, and to any or all classes of such stockholders.

(D) Anything hereinbefore in this Section to the contrary notwithstanding, no non-assenting stockholder of the Lessor who shall, separately or in conjunction with any other stockholder or stockholders of the Lessor, either in his or their own name or names, or otherwise, institute or cause to be instituted, or voluntarily become, by intervention or otherwise, a party to, any action, suit or other proceeding in or before any court, commission or tribunal, state or federal, for the purpose of enjoining or otherwise preventing the authorization, approval, execution or delivery of this lease, or of avoiding or setting aside this lease, or of recovering the value of his or their share or shares of stock of the Lessor or of

asserting any claim or objection in respect thereof except as provided by part (B) of this Section, shall have any rights, privileges or powers whatsoever under this Section, it being the true intent and purpose of all of the provisions of this Section in respect of non-assenting stockholders that any such stockholder who shall be dissatisfied with this lease shall irrevocably elect the exclusive right or remedy under part (B) of this Section which he shall desire to assert or invoke in the premises or be remitted to the remedies, if any, provided by law.

SECTION 3. To pay to the Lessor, from time to time, at the office of the Lessor in the City of Richmond, County of Henrico, State of Virginia, the amounts in this Section set forth as hereinafter in this Section provided, that is to say:

(1) In case of the payment of any dividend, for any quarterly or other period, at the rate of six per centum (6%) per annum upon the Preferred Stock, Series "A", of the Lessee, to pay to the Lessor an amount equal to a dividend for the same period at the rate of six and one-half per centum (6½%) per annum (and, in case of the payment of any dividend at the rate of more or less than six per centum (6%) per annum upon said Preferred Stock, Series "A", to pay to the Lessor a proportionately greater or less amount, as the case may be) upon each share of Preferred Stock of the Lessor outstanding and not at the date of such payment owned by the Lessee and registered on the books of the Lessor either in the name of the Lessee or in the name of a nominee of the Lessee of which written notice shall have been given to the Lessor.

(2) In case of the payment of any dividend, for any quarterly or other period, at the rate of six per centum (6%) per annum upon the Common Stock of the Lessee, to pay to the Lessor an amount equal to a dividend for the same period at the rate of six per centum (6%) per annum (and, in case of the payment of any dividend at the rate of more or less than six per centum (6%) per annum upon said Common Stock, to pay to the Lessor a proportionately greater or less amount, as the case may be) upon each share of Common Stock of the Lessor outstanding and not at the date of such payment owned by the Lessee and registered on the books of the Lessor either in the name of the Lessee or in the name of a nominee of the Lessee of which written notice shall have been given to the Lessor.

Payment of the amounts to be paid by the Lessee as provided in the foregoing paragraph (1) shall be made by the Lessee concurrently with the payment by it of dividends on its Preferred Stock, Series "A"; and the obligation of the Lessee to make the payments referred to in said paragraph (1) shall rank *pari passu* with its obligation to pay dividends on said Preferred Stock, Series "A". Payment of the amounts to be paid by the Lessee as provided in the foregoing paragraph (2) shall be made by the Lessee concurrently with the payment by it of dividends on its Common Stock; and the obligation of the Lessee to make the payments referred to in said paragraph (2) shall rank *pari passu* with its obligation to pay dividends on its Common Stock.

The Lessee hereby waives, as to any shares of the capital stock of the Lessor owned by the Lessee and registered on the books of the Lessor either in the name of the Lessee or in the name of a nominee of the Lessee, of which written notice shall have been given to the Lessor, at the date of each and every payment made by the Lessee to the Lessor as provided in the foregoing paragraphs (1) and (2), all right to participate as a stockholder of the Lessor in any dividend or distribution which may be paid by the Lessor in anticipation or as a result or by reason of such payment. For all other purposes and in all other respects, the Lessee shall have all rights of a stockholder with respect to stock of the Lessor at any time owned by the Lessee.

Nothing herein contained shall restrict the Lessee from creating and/or issuing, at any time, additional shares of its capital stock, Preferred and/or Common, whether of the classes now authorized or of any class or classes hereafter created. If either the Preferred Stock, Series "A", or the Common Stock of the Lessee should be exchanged or converted as a class into stock of a consolidated or other successor corporation or into stock of the Lessee of other classes, the amount of dividends on the share or shares issued upon any such exchange or conversion for a share of Preferred Stock, Series "A", or of Common Stock of the Lessee shall be substituted as the basis for computation and adjustment of rental in place of the dividends upon the Preferred Stock, Series "A", or Common Stock of the Lessee above specified in this Section as the basis for computation and adjustment of rental; and if either the Preferred Stock, Series "A", or the Common Stock of the Lessee should be

retired or cancelled as a whole without substitution of other shares therefor, then the rental payments thereafter shall be the amounts which the Lessee would be required to pay under the provisions of this Section if such stock were still outstanding and dividends at the rate of six per centum (6%) per annum were being paid thereon, quarterly.

SECTION 4. (A) To pay to or upon the written order of the Lessor, on the first day of each month during the continuance of this lease, such sums as may from time to time be necessary to maintain and preserve the corporate existence of the Lessor, with such organization as may be necessary for the purposes of the Lessor under this lease; also such sums as will enable the Lessor to provide for and pay all necessary expenses and disbursements in connection with any and all acts, steps or things required to be done by or on behalf of the Lessor pursuant to any of the provisions of this Lease or required by law or by any public authority. The amounts so to be paid shall be determined by agreement between the boards of directors of the Lessor and the Lessee and shall remain in force until changed by said boards of directors. In case of disagreement the matter shall be referred to arbitration in the manner provided in Article Eight of this lease, and the Lessor and the Lessee shall abide by the result of such arbitration.

(B) To establish with the Lessor, upon the effective date of this lease, a working fund in an amount which shall not, without the consent of the Lessee, exceed $. Such working fund and all interest thereon or proceeds therefrom shall be and shall remain at all times the property of the Lessee and shall be repaid by the Lessor to the Lessee at the expiration of this lease or, at the option of the Lessor, prior to such expiration, and such earlier repayment may be either in whole or in part. The Lessor shall have the right to use such working fund or any part thereof necessary for either or both of the following purposes:

(1) For the payment, upon the established dividend dates of the Lessor, of dividends upon the outstanding shares of the capital stock of the Lessor (other than upon stock of the Lessor owned by the Lessee and registered in its name or in the name of its nominee) in anticipation of the receipt from the Lessee, within the next three months following, of rental payments sufficient for such dividends of the

Lessor under the provisions of Section 3 of this Article; *provided* (*a*) that no dividends from such working fund shall be paid at a rate in excess of six and one-half per centum (6½%) per annum upon the Preferred Stock of the Lessor or at a rate in excess of six per centum (6%) per annum upon the Common Stock of the Lessor, and (*b*) that the Lessor shall, upon the receipt by it of rental payments under the provisions of said Section 3, forthwith reimburse said working fund with the amount by which such fund shall have been depleted by reason of dividend payments by the Lessor therefrom.

(2) For the payment of expenses of maintaining the corporate existence and organization of the Lessor, provided for in part (A) of this Section 4, in anticipation of the receipt by the Lessor of payments from the Lessee for such expenses as provided in said part (A). The Lessor shall, upon the receipt by it of payments for such expenses as provided in said part (A), from time to time forthwith reimburse said working fund with the amount by which such fund shall have been depleted by reason of payments for expenses by the Lessor therefrom.

If at any time or from time to time during the continuance of this lease it should become apparent that the working fund as initially established is larger than the Lessor shall reasonably require for the purposes aforesaid, the Lessor agrees to repay to the Lessee at that time such amount as shall not then be necessary for such purposes. If at any time thereafter it should become apparent that the working fund as so reduced is insufficient for such purposes of the Lessor, the Lessee shall re-establish the fund, temporarily or for such periods as may be required, to the extent necessary for such purposes, but not exceeding the amount above specified.

SECTION 5. From time to time, to pay and discharge, or to cause to be paid and discharged, as and when the same become due and payable, all lawful taxes, assessments and governmental charges which, prior to the effective date of this lease, may have been, or which, during the continuance of this lease, may be, lawfully levied, imposed or assessed upon the Lessor or upon the properties of the Lessor leased hereunder, or upon the companies or properties of companies controlled by the Lessor and which then may be operated by

the Lessee as part of the Lessor's transportation system, or upon or in respect of the earnings or income of any such companies or properties, or upon or in respect of the amounts payable by the Lessee under this lease, including specifically, but without in any manner limiting the foregoing, all income and/or excess profits taxes so levied, imposed or assessed by the United States or by any state thereof or by the Dominion of Canada or by any province thereof or by any other foreign country, but not including any tax or taxes payable by any stockholder of the Lessor or, in respect of any such controlled companies, by any stockholder, other than the Lessor, of any such controlled company.

With the consent of the board of directors of the Lessor, the obligation of this Section 5, with respect to such controlled companies of the Lessor, may cease and determine in whole or in part.

SECTION 6. From time to time, to pay, or to cause to be paid, as and when such interest shall become due and payable, amounts equal to all interest which during the continuance of this lease may become due and payable (1) upon any and all bonds, notes and other obligations and evidences of indebtedness heretofore issued, incurred or assumed by the Lessor or by Ashland Coal and Iron Railway Company and now outstanding, and (2) upon any and all other bonds, notes and other obligations and evidences of indebtedness which may at any time hereafter be issued by the Lessor as provided in Section 4 of Article Four of this lease. Such payments at the option of the Lessee may be made either to the Lessor or to the obligees of such securities.

SECTION 7. From time to time to pay, or to cause to be paid, as and when the same become due and payable, all rentals and other charges which, during the continuance of this lease, may become due and payable under any lease or any traffic, trackage or other operating contract, or under any other contract of whatsoever kind, heretofore entered into or assumed or accepted by the Lessor and now in force, or which may at any time hereafter be entered into by the Lessor with the approval of the Lessee; *provided, however,* that the Lessee shall have the right, subject to the provisions of existing mortgages, to secure the modification, amendment or abrogation of any such lease or of any such traffic, trackage, operating or other contract in any proper or lawful way and to use the name and powers of

the Lessor for any such purpose; and *provided further,* that the general integrity and continuity of the transportation system of the Lessor shall not in any event be impaired thereby without the consent of the Lessor's board of directors.

SECTION 8. To insure and keep insured, during the continuance of this lease, the buildings and other structures, rolling stock and other equipment (including floating equipment), tools and machinery and all other property appurtenant to the leased properties usually insured by railway companies and in the same manner and to the same extent, and to cause each of the companies controlled by the Lessor to insure and keep insured, during the continuance of this lease, the property of such company usually insured by companies of like character, and in the same manner and to the same extent.

With the consent of the board of directors of the Lessor, the obligation of this Section 8 may cease and determine in whole or in part.

SECTION 9. To keep, perform and observe, or to cause to be kept, performed and observed, during the continuance of this lease, all the valid covenants, terms and conditions to be kept, performed and observed by the Lessor contained in any and all mortgages, trust agreements, leases and traffic, trackage and other operating contracts, and under any other contracts of whatsoever kind, heretofore entered into or assumed or accepted by the Lessor and now in force, or which may at any time hereafter be entered into by the Lessor with the approval of the Lessee, as provided in Section 6 of Article Four hereof, as fully as the Lessor is bound to keep, perform and observe the same; *provided, however,* that the Lessee shall have the right, subject to the provisions of existing mortgages, to secure the modification, amendment or abrogation of any such lease, or of any such traffic, trackage, operating or other contract in any proper and lawful way and to use the name and powers of the Lessor for any such purpose; and *provided further* that the general integrity and continuity of the transportation system of the Lessor shall not in any event be impaired thereby without the consent of the Lessor's board of directors.

SECTION 10. To pay, satisfy and discharge, or to cause to be paid, satisfied and discharged, duly and punctually, all current obligations and liabilities of the Lessor existing at the effective date of this lease.

SECTION 11. To indemnify and save harmless the Lessor and companies whose properties are operated by

the Lessee as part of the Lessor's transportation system of and from any and all losses, expenses, costs, damages, claims and demands whatsoever existing at the effective date of this lease or which at any time during the continuance of this lease may arise out of the operation or maintenance of the leased properties, or of the properties of companies whose properties are operated by the Lessee as part of the Lessor's transportation system, or any part thereof, or by reason of any omission on the part of the Lessee, its agents or employees, to perform any duty, act or thing required by law or by this lease to be performed in or about the maintenance or operation of the same; and, generally, in respect of the leased properties and the maintenance, management and operation thereof during the continuance of this lease, to observe, perform and fulfill all duties and obligations which now rest or may hereafter be imposed upon the Lessor or companies whose properties are operated by the Lessee as part of the Lessor's transportation system under or by virtue of law or otherwise to the same extent and effect as the Lessor or such companies would be compelled to observe, perform and fulfill such duties and obligations if this lease had not been made; and to defend, without expense to the Lessor or such companies, any and all actions, suits and proceedings now pending, or which during the continuance of this lease shall be brought, against the Lessor or such companies upon causes of action accruing prior to the effective date of this lease or as the result of anything done by the Lessee or at the Lessee's request during the continuance of this lease.

SECTION 12. To maintain, keep and preserve, at all times during the continuance of this lease, in as good state and condition as when received, and at its own proper cost and without expense to the Lessor, all of the physical properties hereby leased and, during the period that such properties shall be operated by the Lessee, all of the physical properties of companies controlled by the Lessor and which at the time may be operated by the Lessee as part of the Lessor's transportation system, except such parts thereof as may be sold or otherwise disposed of, abandoned or retired as in this lease provided; and to comply with all valid orders of public authorities in connection with the operation and maintenance of such properties. Whenever during the continuance of this lease any of the rolling stock or other

equipment (including floating equipment) turned over to the Lessee under this lease, or any replacement thereof, shall be damaged or destroyed or shall otherwise become unfit for the use for which it was intended, the Lessee at its own cost and expense shall cause the same to be repaired, renewed, replaced or rebuilt, or, if such repair, renewal, rebuilding or replacement in kind shall in the opinion of the Lessee be inexpedient, then the Lessee shall replace such rolling stock or other equipment (including floating equipment) by other rolling stock or other equipment (including floating equipment) of a value equal to the value, at the effective date of this lease, of that not so replaced in kind, and all such new rolling stock and other equipment (including floating equipment) shall thereupon be and become the property of the Lessor, but subject to this lease, and the Lessee shall not be entitled to be reimbursed by the Lessor for the cost of any such repair, renewal, rebuilding or replacement. If, during the continuance of this lease, any part or parts of the physical properties hereby leased or of the physical properties of companies controlled by the Lessor and which at the time may be operated by the Lessee as a part of the Lessor's transportation system, other than rolling stock and other equipment (including floating equipment), shall be sold or otherwise disposed of, abandoned or retired by the Lessee, the Lessee shall account to the Lessor at the termination of this lease for the original cost, estimated if not known, of the same.

SECTION 13. To furnish annually to the Lessor, on or before May 1 in each year, commencing May 1, 1926, a detailed list of rolling stock and other equipment (including floating equipment) owned by the Lessor and leased to the Lessee on the preceding December 31, showing the number of units, capacity, tractive effort and book value thereof.

SECTION 14. To permit the Lessor from time to time, but not oftener than once in any twelve (12) months, to make such reasonable inspection of the leased properties and of the books and records of the Lessee relating thereto as the Lessor shall desire.

SECTION 15. To operate and develop, or to cause to be operated and developed, to its best ability, by itself or through others, the leased properties at all times during the continuance of this lease.

SECTION 16. At the expiration or termination (otherwise than as provided in Article Five) of this lease, to return to the Lessor the leased properties received by the Lessee, with such extensions, improvements, additions and betterments as shall have been made thereto, subject to the provisions of Article Seven hereof.

ARTICLE THREE

COVENANTS OF THE LESSOR

The Lessor covenants with the Lessee as hereinafter in this Article Three set forth:

SECTION 1. To preserve, or extend, or renew, and maintain, during the continuance of this lease, to the extent of its rights and powers, its corporate existence, with such organization as may be necessary for its purposes under this lease, and, to that end, from time to time to comply with whatever is or may be required of it by law, and to take all necessary proceedings for that purpose.

SECTION 2. At any and all times during the continuance of this lease, upon the written request and at the expense of the Lessee, to exercise and put in force each and every corporate power and franchise and do each and every corporate act necessary, proper or desirable to carry out the provisions of this lease and to enable the Lessee to avail itself of and to use, exercise and enjoy the leased properties, and the proceeds, rents, issues and profits thereof, and the rights, powers, privileges and franchises hereby granted in respect thereof; and, to the extent of its rights and powers, to execute, acknowledge and deliver to the Lessee such other and further instrument or instruments in writing, and under the corporate seal of the Lessor, as may be necessary, proper or desirable better and more effectively to confirm and secure to the Lessee, its successors and assigns, the leased properties, and the proceeds, rents, issues and profits thereof, upon the terms and conditions in this lease expressed or intended and so to carry into effect the intent and meaning of this lease in relation thereto.

SECTION 3. At any time and from time to time during the continuance of this lease, upon the written request and at the expense of the Lessee, to take all such lawful and proper measures and proceedings and do and perform, to the extent of its rights and powers, such lawful acts and things, as may be necessary, proper or desirable for the acquisition or procurement, by condemnation of

otherwise, of any land, properties, privileges or franchises needed for or useful in the operation of the leased properties, or in connection therewith, or as may be necessary, proper or desirable to facilitate in any respect the increase, completion or improvement thereof, or of their capacity, by extension, enlargement, addition, or otherwise, or the more convenient, safe or profitable use or operation thereof, or for the protection and preservation of the same and of the rights and franchises connected therewith, or for maintaining the Lessee in the full and free enjoyment, during the continuance of this lease, of the leased properties and their appurtenances and proceeds and said rights and franchises.

SECTION 4. If hereafter it shall appear to the Lessee that the line or lines, route or routes, grade or grades of the railroads of the Lessor's transportation system, as theretofore adopted, or any of them, can, by a change thereof, be improved (provided always that the general integrity and continuity of the transportation system of the Lessor shall in no event be impaired without the consent of the board of directors of the Lessor), to take or cause to be taken from time to time, to the extent of its rights and powers, upon the written request and at the expense of the Lessee, such proceedings as may be deemed necessary by the Lessee for that purpose and to acquire, as hereinbefore provided, any and all additional lands, rights and privileges requisite for the purpose of making such changes.

SECTION 5. Upon the written request and at the expense of the Lessee, from time to time, to institute and prosecute in its own or other proper name any and all proper proceedings for the purpose of acquiring the right to cross, intersect or connect with any and all other railroads, rivers, canals, other waters, or public highways or properties, which it shall or may become necessary or desirable to cross, intersect or connect with, in connection with the operation of the Lessor's transportation system, or improvement or extension thereof.

SECTION 6. That the Lessee shall have the right and power, at all times during the continuance of this lease, to extend, enlarge, add to, improve or better the railroads and other physical properties hereby leased and the physical properties of companies controlled by the Lessor and which at the time may be operated by the Lessee as

part of the Lessor's transportation system, or any of them, in such manner and to such extent as the Lessee may deem desirable.

SECTION 7. The capital expenditures made by the Lessee under the provisions of Sections 3, 4, 5 and 6 of this Article shall be at the expense of the Lessee; but the Lessee shall be entitled to reimbursement therefor by the Lessor to the extent and otherwise as provided in Article Four of this lease.

SECTION 8. That the Lessee shall, at all times during the continuance of this lease, have all the rights and powers of the Lessor to arrange, use and control the leased properties and the properties of companies controlled by the Lessor and at the time operated by the Lessee as part of the Lessor's transportation system, and the proceeds thereof, and to regulate and determine the rates of tolls, freight and charges of transportation over the whole or any part thereof, and to charge and collect the same and appropriate the same to its own use; and shall have, hold, use, exercise and enjoy all rights, powers, privileges and franchises now possessed or which may hereafter be acquired by the Lessor, necessary or convenient to the use, possession, enjoyment, management, betterment, extension or operation of all such properties and their appurtenances, proceeds, rents, issues and profits, as herein provided, which can or may be lawfully exercised or enjoyed on or about or in connection with all such properties, or any part thereof, or their appurtenances, proceeds, rents, issues or profits, or the use, maintenance, betterment. extension or operation of the same.

SECTION 9. That the Lessee may, from time to time during the continuance of this lease and while it is not in default hereunder, subject to the provisions in respect of accounting contained in Article Seven, use, consume, abandon, retire, sell or otherwise dispose of any line or lines of railway and any worn-out or disused material, equipment, or other tangible personal property not required for the proper operation and maintenance of the leased properties or of the properties of companies controlled by the Lessor and at the time operated by the Lessee as part of the Lessor's transportation system, and any lands, buildings or structures no longer required for such operation and maintenance, so far as such powers may be exercised in conformity with law and the provi-

sions of any mortgages or other liens affecting any such property, and that it will from time to time during the continuance of this lease, upon the written request and at the expense of the Lessee, if any such property is subject to lien, cause such resolutions to be adopted and make such requests and do such other things as may be reasonably requested by the Lessee for the purpose of causing any such property to be released from the lien or liens to which the same is subject; *provided, however,* that the proceeds of any real property so sold or disposed of, except as otherwise provided in any such mortgage, shall be expended by the Lessee for improvements, betterments or additions of or to the railroads or other physical properties hereby leased, or some portion thereof, or of or to the physical properties of any such controlled company of the Lessor as the case may be; and *provided further,* that the general integrity and continuity of the transportation system of the Lessor shall in no event be impaired by the exercise of any of such rights, powers and privileges by the Lessee unless the exercise thereof by the Lessee in the particular case shall have been approved by the board of directors of the Lessor; and *provided further* that, without the consent of the board of directors of the Lessor, the Lessee shall not abandon, retire, sell or otherwise dispose of any line or lines of railroad without replacement.

SECTION 10. To permit, at any and all reasonable times, such person or persons as the Lessee may designate to inspect the books and records of the Lessor for any purpose whatsoever.

SECTION 11. That if the Lessee shall at any time request the Lessor, in writing, to do any act required to be done by the Lessor under this lease and the Lessor shall fail or neglect to initiate the necessary steps to carry out such request within a period of ninety (90) days after such request shall have been received by it or shall thereafter fail or neglect to prosecute the same with reasonable diligence, the act so required to be done by the Lessor may be done by the Lessee, or its officers or agents, either in its name or in the name and as the act of the Lessor, and the Lessee may, for its own use and benefit, use the name, franchises and corporate powers of the Lessor for such purpose, provided that nothing herein contained shall affect or limit the exercise by the board of directors of the Lessor of any discretionary right or power by this lease reserved to or vested in said board of directors.

SECTION 12. The Lessee may use the name, franchises and corporate powers of the Lessor in commencing, prosecuting or defending any and all actions, suits and other legal proceedings as may, in the opinion of the Lessee, be necessary, proper or desirable to enable it to assert or maintain, or to defend or protect against invasion or injury, any right, franchise or privilege of the Lessor in reference to the leased properties or the properties of companies controlled by the Lessor and at the time operated by the Lessee as part of the Lessor's transportation system, or the use, maintenance, extension or operation thereof.

ARTICLE FOUR

COVENANTS RELATING TO CAPITAL ASSETS AND LIABILITIES

SECTION 1. The shares of stock, bonds and other securities mentioned and described in clauses Fifth and Sixth of the granting clauses of this lease, and any shares of stock, bonds and other securities which may at any time be acquired by the Lessor either in exchange or substitution for the shares of stock, bonds and other securities mentioned and described in said clauses Fifth and Sixth, or in addition thereto, or otherwise, shall not, except as in this Article provided, be delivered to the Lessee, but the Lessee shall, nevertheless, in respect of any and all such shares of stock, bonds and other securities, be entitled, from time to time during the continuance of this lease, and so long as the Lessee is not in default hereunder, and subject to the terms and provisions of any mortgages, deeds of trust or other instruments affecting or relating to any such shares of stock, bonds or other securities, to have and exercise the rights and powers in this Section set forth, that is to say:

(1) The Lessee shall be entitled to receive all of the current dividends, interest and income upon such shares of stock, bonds and other securities, and the Lessor shall, from time to time, execute and deliver any and all such orders for the payment of any such dividends, interest and income as may be necessary to enable the Lessee to receive the same.

(2) The Lessee shall be entitled to vote upon such shares of stock and other securities having voting rights for the election of directors and for all other purposes not inconsistent with the provisions of this

paragraph (2), and the Lessor shall, from time to time, execute and deliver any and all such proxies and other instruments as may be necessary to enable the Lessee to vote as aforesaid. Except with the approval of the board of directors of the Lessor, the right of the Lessee to vote upon any such shares of stock or other securities having voting rights shall not be exercised to authorize any increase of capital stock or other change of capitalization, creation of funded debt, mortgage, lien or other charge (except purchase money mortgages and renewals or extensions of previously existing indebtedness, mortgages, liens or other charges), or any sale, lease, merger or consolidation; but, with the approval of the board of directors of the Lessor, the Lessee shall be entitled to vote upon any such shares of stock or other securities having voting rights for any of the purposes aforesaid.

(3) With the approval of the board of directors of the Lessor, but not otherwise, any such shares of stock, bonds and other securities may, from time to time, be sold, exchanged, mortgaged, pledged or otherwise disposed of by the Lessee.

(4) Any and all amounts which may at any time be or become payable or distributable upon any such shares of stock, bonds or other securities otherwise than as ordinary current dividends, interest and income, and which shall represent any payment or distribution of or on account of capital or principal (including any stock dividends which may at any time be declared and paid upon any such shares of stock) and any and all proceeds of the sale, exchange, mortgage, pledge or other disposition of any such shares of stock, bonds or other securities, shall, except as and to the extent that the board of directors of the Lessor may, from time to time, otherwise determine, be collected and received by the Lessor, but subject to this lease and as a part of the leased properties, and any and all amounts of the character in this paragraph (4) specified shall be applied in such manner and for such purposes as may from time to time be approved by the board of directors of the Lessor upon the written request of the Lessee.

SECTION 2. Any shares of stock of the Lessor and any bonds and other securities of the Lessor held by it in its treasury upon the effective date of this lease shall form a part of the leased properties but shall not be delivered to the Lessee. The possession of such shares, bonds

or other securities shall be retained by the Lessor and such shares, bonds or other securities or their proceeds shall be applied in such manner and for such purposes as may from time to time be approved by the board of directors of the Lessor upon the written request of the Lessee. With the approval of the board of directors of the Lessor, but not otherwise, any such shares of stock, bonds or other securities may, from time to time, be sold, exchanged, mortgaged, pledged or otherwise disposed of by the Lessee. All discounts, costs and expenses in connection with the issue or sale of any such shares of stock, bonds or other securities shall be borne by the Lessee without any charge to the Lessor for any part of any such discounts, costs or expenses.

SECTION 3. All additions, improvements, betterments and extensions of or to the leased properties or of or to properties of companies controlled by the Lessor and at the time operated by the Lessee as part of the Lessor's transportation system and all property represented by capital expenditures upon all such properties made by the Lessee during the continuance of this lease shall become and be the property of the Lessor and a part of the leased properties or the property of the company upon whose properties such additions, improvements, betterments, extensions or other capital expenditures shall have been made, subject to the terms and provisions of this lease and of any mortgages, deeds of trust or other instruments relating thereto. The Lessee shall be entitled to reimbursement as herein provided for the amount of the actual cost to it of any such additions, improvements, betterments, extensions or other capital expenditures made by the Lessee as aforesaid to the extent, but only to the extent, that the making of such additions, improvements, betterments, extensions or other capital expenditures and the amount thereof shall have been approved by the board of directors of the Lessor, either before or after such addition, improvement, betterment, extension or other capital expenditure shall have been made. Such reimbursement shall be by the issue by the Lessor to the Lessee of shares of stock and/or bonds and/or other securities as the Lessee shall elect as provided in Section 4 of this Article, and/or at the option of the Lessee by the application in whole or in part of the amount of such expenditures as a credit or offset to any indebtedness of the Lessee to the Lessor upon the termination of this lease up to but not exceeding the amount of such indebtedness of the Lessee to the Lessor.

SECTION 4. The Lessee shall pay, satisfy and discharge, or cause to be paid, satisfied and discharged, or shall renew, extend or refund, or cause to be renewed, extended or refunded, as and when the same become due and payable, the principal of (1) any and all bonds and other capital obligations and evidences of indebtedness and liabilities heretofore issued, incurred or assumed by the Lessor or by Ashland Coal and Iron Railway Company and now outstanding, and (2) any and all bonds and other capital obligations and evidences of indebtedness and liabilities which may from time to time hereafter be issued, incurred or assumed by the Lessor as provided in this Section. For the purpose of paying, redeeming or otherwise acquiring, or of renewing, extending or refunding, any or all such bonds or other capital obligations and evidences of indebtedness or liabilities, before, at or after the maturity thereof, or for the purpose of reimbursing the Lessee for the cost to it of any such payment, redemption, acquisition, renewal, extension or refunding, or for the purpose of reimbursing the Lessee for the cost of any capital expenditures made by the Lessee for which it may be entitled to reimbursement as provided in Section 3 of this Article, the Lessor, from time to time during the continuance of this lease will, to the extent of its corporate powers and subject to any necessary governmental approval, upon the written request of the Lessee, make, execute, issue and deliver to the Lessee such shares of stock of such class or classes and/or such bonds or other securities in such amounts, bearing such rates of dividend or interest, payable at such times and secured in such manner in respect of the leased properties, as the Lessee may determine and as may be approved by the board of directors of the Lessor upon the written request of the Lessee, and such mortgages, deeds of trust and other instruments as the Lessee may determine and as may be approved by the board of directors of the Lessor upon the written request of the Lessee to be necessary or desirable to secure the payment of any such bonds or other securities, or the Lessor shall otherwise obligate itself in such manner as the Lessee may determine and as the board of directors of the Lessor may approve upon the written request of the Lessee. In case any renewal or extension of any bonds or other obligations or evidences of indebtedness can be procured by the Lessee, the Lessee may arrange with the holders thereof for such renewal or extension, and from time to time, upon the written request of the Lessee, the Lessor will, to the extent of its corporate powers and subject to any necessary governmental approval, execute any and all agreements and do any and all acts approved by the board of directors of the Lessor upon the written request of the Lessee which may be necessary or desirable to effect any such renewal or extension. All shares of stock, bonds and other obligations and evidences of indebtedness which may at any time be issued by the Lessor as provided in this Section, and the proceeds of all such shares of stock, bonds and other obligations and evidences of indebtedness, shall be devoted solely to the purposes in this Section stated. All shares of stock, bonds, obligations and other evidences of indebtedness which may be issued by the Lessor, as provided in this Section, shall be accepted by the Lessee at the par or face value thereof, or if the same shall have no par or face value, then at such value as may be agreed upon between the Lessor and the Lessee, and all discounts, costs and expenses in connection with the issue and sale of any such shares of stock, bonds or other obligations or evidences of indebtedness, shall be borne by the Lessee without any charge to the Lessor for any part of such discounts, costs or expenses.

SECTION 5. Any saving, benefit or advantage resulting from any refunding, retirement or rearrangement of the securities, obligations or undertakings of the Lessor, or otherwise, during the continuance of this lease, shall inure to the benefit of the Lessee, during such continuance of this lease, without obligation on the part of the Lessee to pay to the Lessor any additional sum, by way of rental or otherwise, on account thereof.

SECTION 6. Subject to and upon compliance with the terms and conditions of any mortgage or other similar contract which provides for or permits such substitution or joinder, the Lessor, at any time during the continuance of this lease, upon the written request of the Lessee, will, to the extent of the corporate powers of the Lessor, join in, assist and procure the substitution or joinder of the Lessee for or with the Lessor under and as a party to said mortgage or contract, with all the rights, privileges and powers which can be accorded to and conferred upon the Lessee thereunder, *subject, however,* to all of the terms, conditions and limitations therein prescribed, and *subject further* to the provision that no bonds or other obligations or evidences of indebtedness shall be issued which would be a lien upon any of the leased properties without the approval of the board of directors of the Lessor.

SECTION 7. The Lessor will not, during the continuance of this lease, without the written request or consent of the Lessee, issue, except in exchange for or in lieu of or upon the transfer of outstanding certificates or securities, any share of capital stock or any bond or other evidence of interest in or indebtedness of the Lessor, or assume any obligation as lessor, lessee, guarantor, indorser, surety or otherwise in respect of the securities of any other person, natural or artificial, or incur any debt or liability whatever, or voluntarily subject or permit the subjection of the leased properties or any part thereof to any lien, charge, trust or demand of any character; *provided, however,* that, without such request or consent, the Lessor may, from time to time, and on or before April 1, 1936, issue shares of its Common Stock, now reserved for such purpose, upon conversion of outstanding Five Per Cent. Convertible Thirty-Year Secured Gold Bonds of the Lessor.

ARTICLE FIVE

CONSOLIDATION, ETC., OF LESSOR AND LESSEE

It is hereby mutually covenanted and agreed that, when and if authorized by the Interstate Commerce Commission or other proper governmental agency, or otherwise authorized or permitted by law, the leased properties and the properties of the Lessee shall be consolidated into one corporation for the ownership, management and operation thereof upon such terms and conditions and in such manner, either by consolidation, merger, conveyance, or other means of unification, as may be agreed upon between the Lessor and the Lessee, and that thereupon this lease shall be terminated; and in such event the parties hereto severally covenant and agree promptly to execute or to cause to be executed each and every instrument, and to do or to cause to be done each and every act and thing, necessary or advisable in order to effect such consolidation, merger, conveyance or other unification, when so authorized and agreed upon.

ARTICLE SIX

REMEDIES IN CASE OF DEFAULT

In case the Lessee shall, at any time during the continuance of this lease, fail or omit duly and punctually

(1) to make any payment in Section 3 of Article Two of this lease agreed to be made by it as and when such payment shall become due and payable and such default shall continue for a period of ten (10) days; or

(2) to make any other payment in this lease agreed to be made by it as and when such payment shall become due and payable, and such default shall continue for a period of sixty (60) days after service upon the Lessee of a written notice specifying such default and requiring the Lessee to remedy the same; or

(3) to observe, abide by, keep or perform any other of the covenants, agreements, conditions and/or obligations of this lease to be observed, abided by, kept or performed by it, and any such default shall continue for a period of sixty (60) days after service upon the Lessee of a written notice specifying such default and requiring the Lessee to remedy the same;

then and in any such case the Lessor may either

(*a*) proceed by proper action or actions in the proper court or courts, either at law or in equity, to recover the amount of the payment in respect of which default shall have been made, together with interest thereon, or to enforce the performance of any or all such covenants, agreements, conditions or obligations by the Lessee, or to recover damages for the breach thereof; or

(*b*) by notice in writing terminate this lease, and thereupon enter in and upon the leased properties and all and every part thereof and remove the Lessee and all other persons therefrom; and shall thenceforth hold, possess and enjoy the same free from any right of the Lessee or its successors or assigns to use the leased properties or any part thereof for any purpose whatsoever; and thereupon any and all right, title and interest of the Lessee in and to the leased properties and in and to the possession and use thereof shall absolutely cease and determine as though this lease had never been made; but the Lessor nevertheless shall have the right to recover from the Lessee any and all amounts which may then be due and payable by the Lessee under this lease, together with interest thereon, as well as any damages in addition thereto which the Lessor may have sustained by reason of the breach of the provisions hereof, subject to the right of the Lessee to reimbursement, to the extent and in the manner provided in this lease, for any amounts chargeable by the Lessee to the Lessor in accordance with the terms and provisions hereof.

Anything to the contrary in this lease notwithstanding, if in any mortgage, deed of trust, indenture or other agreement constituting a lien upon or otherwise affecting any of the leased properties it shall be provided that no lease of the properties subject to or affected by any such mortgage, deed of trust, indenture or other agreement shall be made unless the lease, as to such properties, shall be subject to termination by the trustee of such mortgage, deed of trust, indenture or other agreement, in case of the happening of an event of default thereunder, or by the purchaser at any sale of the mortgaged premises made in enforcement of such mortgage, deed of trust, indenture or other agreement, this lease is hereby made subject to termination by such trustee or such purchaser as to the premises upon which such mortgage, deed of trust, indenture or other agreement constitutes a lien, but only as to such premises; *provided, however,* that an event of default under any such mortgage, deed of trust, indenture or other agreement shall not operate *ipso facto* to effect such termination but that such termination shall be effected only by the affirmative action of such trustee or of such purchaser in accordance with the terms, conditions and provisions of such mortgage, deed of trust, indenture or other agreement; and *provided further* that the Lessee shall be subrogated and succeed to all rights of the Lessor to make good and to remedy such event of default and its consequences.

ARTICLE SEVEN

Accounting

Section 1. (A) A complete inventory of the materials and supplies and shop machinery and tools leased shall be taken jointly by the Lessor and the Lessee as of the effective date of this lease.

(B) Within sixty (60) days after the effective date of this lease, the Lessor shall prepare and deliver, or cause to be prepared and delivered, to the Lessee trial balance sheets in duplicate, duly authenticated by the chief accounting officer of the Lessor, drawn from the books of the Lessor, as of the effective date of this lease, and all of the accounts embraced within said trial balance sheets, except capital stock accounts, shall be taken over into the books of the Lessee, but the Lessee for these and all other of its purposes may treat as its books and as its organization the books of account and the accounting records and memoranda and organization of the Lessor for such time as to the Lessee shall seem advisable.

(C) As soon as practicable after the effective date of this lease, the Lessor shall prepare and deliver to the Lessee written schedules, in duplicate, duly authenticated by the chief accounting officer of the Lessor, which shall show as of the effective date of this lease, in detail, the leased properties, setting forth separately properties owned by the Lessor and properties not so owned, but held, operated, controlled or used by the Lessor under lease, by stock control or otherwise, together with the respective mortgages, pledges and other liens thereon; and the capitalization, liabilities, reserves and balances affecting the same, all according to the following classifications, setting forth separately, in so far as the records of the Lessor and of its controlled companies show the same, securities, liabilities, reserves and balances issued or assumed by the Lessor and by corporations or individuals, the properties of which are held, operated, controlled or used by the Lessor under leases, by stock control or otherwise:

(1) Railroad and telegraph lines and branches, showing their general condition if finished, and to what extent completed if unfinished, with their respective locations, termini, mileages and other facts necessary completely to identify the properties. This schedule shall be accompanied by a suitable map or maps and profiles.

(2) Lands (including lands under water, water rights and rights of reclamation) classified by valuation sections, zones and parcels as provided by the Interstate Commerce Commission, in connection with the federal valuation of railroads. This schedule shall be accompanied by a suitable map or maps.

(3) Wharves, docks, piers, warehouses, station buildings and other structures and properties used in or held for the service of transportation by water, and/or in connection therewith. This schedule shall show the general physical condition of each unit of property.

(4) Rolling stock and other railroad equipment and the general condition and the value thereof, determined according to the rules of the American Railway Association so far as such rules are applicable.

(5) Floating equipment showing each boat in detail, and the general condition and value of same.

(6) Improvements on leased railroad property, including the Lessor's investment in additions and betterments made by it to railroad property held under long-term lease, or through control of the corporation owning the property. This schedule shall be classified by primary accounts in accordance with the rules of the Interstate Commerce Commission.

(7) Sinking funds including cash, securities and other assets held for the purpose of redeeming outstanding obligations.

(8) Deposits in lieu of mortgaged property sold.

(9) Physical properties, other than the transportation properties embraced in the schedules referred to in clauses (1) to (6) of this part (C) of this Section.

(10) Stocks, bonds, notes and other securities issued or assumed by companies affiliated with the Lessor and held or owned by or for the Lessor and all advances made by the Lessor to such companies.

(11) Stocks, bonds, notes and other securities issued or assumed by companies not affiliated with the Lessor, or by individuals, and held or owned by or for the Lessor, and all advances made by the Lessor to such companies and to individuals, and all other investments not provided for elsewhere in this Section.

(12) Current assets, deferred assets and unadjusted debits classified according to the classification of general balance sheet accounts prescribed by the Interstate Commerce Commission.

(13) Stock, governmental grants and long term debt classified according to the classification of general balance sheet accounts prescribed by the Interstate Commerce Commission.

(14) Current liabilities, deferred liabilities, unadjusted credits and corporate surplus classified according to the classification of general balance sheet accounts prescribed by the Interstate Commerce Commission.

The book values and amounts for all items for which such values and amounts are recorded, shall be stated

in the schedules thereof, and, unless otherwise stated in such schedules, such values and amounts shall, for the purpose of final accounting, be *prima facie* deemed to be the correct values or amounts for said items. Where said schedules show any values other than book values, the values so shown shall be *prima facie* deemed to be the correct values unless specific written objection thereto is made by the Lessee within six months after delivery of said schedules; *provided, however,* that the value of rolling stock and other railroad equipment shall for such purposes be determined as of the effective date of this lease, according to the rules of the American Railway Association so far as such rules are applicable.

SECTION 2. During the continuance of this lease, (1) all revenues, income, expenses, taxes and other charges against income shall be treated as the business of the Lessee, but for the purpose of final accounting under this lease the same shall be allocated with reference to the time when accrued or incurred, as between the period of the continuance of this lease and the period prior thereto, and the Lessee shall make such entries and maintain and keep such records and accounts as may be necessary to effect such allocation; and (2) the accounting for retirements, replacements and depreciation, and for the cost of additions and betterments, shall be in accordance with the rules of the Interstate Commerce Commission or other governmental authority, at the time in force.

SECTION 3. Upon the termination of this lease, otherwise than as provided in Article Five hereof, there shall be, in connection with the return of the leased physical properties and other capital assets shown in the schedules referred to in clauses (1) to (11) inclusive of part (C) of Section 1 of this Article, an accounting and settlement between the parties, as follows:

The Lessee shall as soon as practicable after the termination of the lease prepare and deliver to the Lessor written schedules in duplicate, corresponding as of the date of the termination of this lease in the schedules referred to in clauses (1) to (11) inclusive of part (C) of Section 1 of this Article.

The Lessee shall be debited and the Lessor credited with:

(*a*) The value of any of the capital assets listed in the schedules furnished by the Lessor in accordance with Section 1 of this Article, or any parts

thereof, which have been sold, abandoned, retired, worn out, depreciated or otherwise disposed of by the Lessee, or which for any other reason are not returned to the Lessor by the Lessee.

(*b*) The cost of any additions, betterments, extensions, enlargements or increases of capital assets of any kind, or any parts thereof, which may have been charged to the Lessor under this lease and which have been sold, abandoned, retired, worn out, depreciated, or otherwise disposed of by the Lessee, or which for any other reason are not turned over to the Lessor by the Lessee.

(*c*) All amounts received or realized by the Lessee out of the materials and supplies and other current and deferred and other assets listed in the schedules furnished by the Lessor in accordance with clause (12) of part (C) of Section 1 of this Article or arising or accruing from the operation, business or investment of the leased properties prior to the effective date of this lease, which are not included in said schedules.

(*d*) All amounts of taxes, operating expenses, hire of equipment, rents, traffic balances and other liens and charges upon the leased properties arising or accruing from their operation, business or investment during the continuance of this lease, which the Lessee shall have failed to pay or satisfy.

(*e*) All increases in the par or principal amounts of outstanding capital liabilities or stock of the Lessor or against the leased properties listed in the schedules furnished by the Lessor in accordance with Section 1 of this Article, made by or at the request of the Lessee for which the Lessor is not otherwise reimbursed or indemnified; *provided, however,* that there shall not be any debit to the Lessee or credit to the Lessor for any increase in the amount of the Lessor's outstanding capital stock resulting from the conversion of any Five Per Cent. Convertible Thirty-Year Secured Gold Bonds of the Lessor into the Lessor's stock.

(*f*) All items and amounts not embraced in the foregoing clauses (*a*) to (*e*) inclusive, which the Lessee is required by the provisions of this lease to pay, perform or discharge without debit against or reimbursement by the Lessor, and which the Lessee has failed or may fail so to pay, perform or discharge.

The Lessor shall be debited and the Lessee credited with:

(*g*) The cost of any additions and betterments, extensions, enlargements or increases in capital assets listed in the schedules furnished by the Lessor in accordance with Section 1 of this Article made by the Lessee with the authorization or ratification of the board of directors of the Lessor (without deduction for any sales, abandonments, retirements or other amounts for which the Lessor may be credited as in clauses (*a*) and (*b*) hereinabove provided).

(*h*) All amounts paid by the Lessee for current and other liabilities listed in the schedules furnished by the Lessor in accordance with Section 1 of this Article, or arising or accruing from or in respect of the operation, business or investment of the leased properties prior to the effective date of this lease which are not included in said schedules.

(*i*) All decreases in the par or principal amounts of outstanding liabilities of the Lessor, or against the leased properties listed in the schedules furnished by the Lessor in accordance with Section 1 of this Article; *provided, however,* that there shall not be any debit to the Lessor or credit to the Lessee because of any decrease in the principal amounts of outstanding liabilities of the Lessor resulting from the conversion of any Five Per Cent. Convertible Thirty-Year Secured Gold Bonds of the Lessor into the Lessor's stock.

(*j*) All amounts received or realized by the Lessor from any materials and supplies or other current assets which may be turned over by the Lessee to or collected by the Lessor of the nature of those listed in accordance with clause (12) of part (C) of Section 1 of this Article, or arising or accruing from or in connection with the operation, business or investment of the leased properties during the continuance of this lease.

(*k*) The balance of any working or other funds established by the Lessee with the Lessor, or for the Lessor's benefit, which the Lessor has failed or may fail to return.

(*l*) All items and amounts not embraced in the foregoing clauses (*g*) to (*k*) inclusive, which the Lessor is required by the provisions of this lease to pay, perform or reimburse to the Lessee, or to pay, perform and discharge without debit against the Lessee, and which the Lessor has failed or may fail so to pay, perform, reimburse or discharge.

Revenues, income, expenses, taxes and other charges against income shall be allocated in such accounting with reference to the time when accrued or incurred as between the period of the continuance of this lease and the periods prior and subsequent thereto. For the purpose of such accounting the same methods of accrual and valuation shall prevail at the termination of this lease as those which prevailed at the effective date of this lease. For the purpose of such final accounting, charges and credits in respect of additions and betterments, retirements, replacements and depreciation shall be made to capital accounts in accordance with the accounting rules of the Interstate Commerce Commission, or its successor in authority in force at the time or times when the transactions were effected, except that the accounting for equipment shall be based upon the methods of valuation adopted as of the effective date of this lease.

The first balance upon the final accounting shall be struck within sixty (60) days after the termination of this lease and shall be paid by the party against which the net debit exists, with interest at the rate of six per centum (6%) per annum from the date when the balance is struck, to the other party, within thirty (30) days thereafter. Such payment shall be made in cash or, at the option of the debtor party, in bonds of the debtor party at par, bearing interest at the rate of six per centum (6%) per annum, and secured by the best lien, charge, pledge or guaranty which the debtor party is then able to give as security for the payment of such bonds, *provided, however,* that, if such balance shall be against the Lessee, the Lessee, up to the amount of such balance, shall, if required by the Lessor, pay to the Lessor in cash an amount equal to the net balance against the Lessee arising from the debits and credits in respect of current assets and liabilities referred to in clauses (*c*), (*h*) and (*j*) of this Section 3.

After the first balance has been struck, there shall be a similar accounting for each subsequent period of three months, with payment of balances in cash or in bonds as above provided, until the account has been finally closed.

SECTION 4. Neither party shall make any charge against the other for services in preparing, paying, collecting or settling the accounts above referred to, but all of the work in connection with such matters, during the continuance of this lease, shall be done by or at the expense of the Lessee without charge to the Lessor, and,

subsequent to the termination of this lease, shall be done by or at the expense of the Lessor without charge to the Lessee.

The accounting hereinabove provided for shall not prevent or exclude any claim by either party, against the other for damages for breach of any covenant of this lease.

ARTICLE EIGHT

ARBITRATION

In case of any disagreement between the parties hereto as to the true construction or meaning of any of the provisions of this lease, or as to the rights of either party hereunder, or as to the terms and provisions of any stocks, bonds, obligations or other evidences of indebtedness which may be issuable to the Lessee, as provided in Article Four of this Lease, or of any mortgages, deeds of trust or other instruments to secure the payment of any such bonds, obligations or other securities, or any claim of either party arising hereunder, which the parties fail to adjust between themselves, such matter or matters of disagreement shall be submitted for arbitration to a tribunal consisting of three disinterested persons, constituted as hereinafter provided.

In case of any such disagreement, the Lessor shall appoint one arbitrator and the Lessee shall appoint one arbitrator, and the two thus appointed shall appoint a third. In case either party shall refuse or fail to appoint an arbitrator within thirty (30) days after receiving written notice from the other party of the matter which it desires to submit to arbitration, and of its appointment of an arbitrator, such party so asking for an arbitration may also appoint the second arbitrator, and the two persons so appointed shall appoint the third arbitrator. In the event of the failure of the two arbitrators first appointed to appoint the third within ten (10) days after the appointment of the second arbitrator and his acceptance of such appointment, either party hereto may apply to a Judge of the United States District Court for the Eastern District of Virginia, upon fifteen (15) days' written notice to the other party, for such appointment of the third arbitrator.

The tribunal so constituted shall give ten (10) days' written notice of the time and place of hearing to the parties, and shall proceed without delay to hear the proofs and allegations of such parties, or of such party as may appear before such tribunal, and shall determine the questions and matters submitted to it for arbitration. and

make its decision and award in writing. In case either party refuses or fails, upon said written notice given by such arbitrators, to produce its proofs, or present its case before them, the arbitrators may determine such questions and matters so submitted to them upon proofs presented by the other party and such proofs as they may procure.

The decision and award of the majority of the arbitrators, when made in writing and signed by them, shall in every case be final and conclusive and obligatory upon the parties hereto; and each party hereto agrees to abide by and comply with every such decision and award.

The determination and award of such arbitrators, or a *bona fide* effort to obtain it, shall be a condition precedent to any right of action with respect to any matter hereby agreed to be submitted to arbitration, and no right of action, either at law or in equity, shall, with respect to any such matter, exist or be invoked by either party hereto until after the same shall have been sub mitted to arbitration as herein provided (and then only to enforce the decision and award of such arbitration) or until after a *bona fide* attempt to obtain such arbitration shall have been made by the party so resorting to litigation and such attempt shall have failed otherwise than through the fault of such party.

ARTICLE NINE

Miscellaneous Provisions

Section 1. The covenants and agreements herein contained are made subject to existing and future law and to the exercise of power thereunder by public authority, whether by way of authorization, prohibition or otherwise.

Section 2. The Lessor and the Lessee may, by agreement authorized or approved by their respective boards of directors, at any time and from time to time during the continuance of this lease, make any such alteration

or modification of the terms, conditions and provisions of this lease, or of any of them, not inconsistent with the general intent and purpose of this lease, as such boards may deem expedient, but no such alteration or modification shall reduce the amount of rental payable hereunder.

Section 3. Whenever, in this lease, provision is made for any consent or approval by the board of directors of the Lessor, it is understood and agreed that such consent or approval may be given or withheld by said board of directors in its discretion, except as provided in Article Eight of this Lease, and that nothing contained in this lease, except Article Eight of this lease, is intended or shall be construed to limit or affect any discretion which said board of directors would otherwise possess, and neither said board of directors of the Lessor nor any member of said board shall be liable or responsible for any exercise of discretion or judgment; and no director, officer or stockholder, either of the Lessee or of the Lessor, shall be held to any individual or personal liability for any matter or thing under or in connection with this lease or any instrument made in pursuance hereof by either party hereto.

Section 4. Except as in this lease specifically provided in Sections 1 and 2 of Article Two of this Lease, no rights of any character whatever shall for any purpose accrue to or be deemed to be conferred upon any person, firm or corporation under this lease other than the Lessor and the Lessee and their respective successors and assigns; nor shall any provisions of this lease be deemed an assumption of obligation or liability within the meaning of Section 20 (*a*) of the Interstate Commerce Act.

Section 5. This lease is to take effect and be in force as of midnight, , 1925, which date is sometimes referred to in this lease as "the effective date of this lease". Thereafter the Lessee may operate the leased properties either in its own name or in the name of the Lessor, or may provide for such operation by another.

Section 6. Any notice to be given by one party to the other party under this lease shall be deemed sufficiently given if in writing and mailed in a postpaid, sealed wrapper to such address as shall have been last given in writing by the other party for such purpose.

SECTION 7. It is mutually covenanted and agreed that, in the event of the expiration or termination (otherwise than as provided in Article Five) of this lease, the line of railroad to be built by the Lessee from Valley Crossing to Gregg, in the State of Ohio, and referred to in the Articles of Incorporation of the Lessee, shall be deemed to be an extension of the Lessor's line made with the Lessor's approval; and the Lessee in such event shall convey to the Lessor, or to a nominee of the Lessor, the said line and appurtenances and thereupon the Lessor shall reimburse the Lessee for all the costs thereof incurred by the Lessee for which the Lessor shall not previously have reimbursed the Lessee.

SECTION 8. This lease is assignable, and it is mutually covenanted and agreed that all of the provisions herein contained shall be binding upon the respective successors and assigns of each of the parties hereto; *provided, however,* that no assignment of this lease shall be made by the Lessee without the consent of the board of directors of the Lessor unless the Lessee shall guarantee to the Lessor the performance by the assignee of all obligations imposed upon the assignee under this lease.

IN WITNESS WHEREOF, the parties hereto have caused this indenture to be executed by their respective presidents or vice-presidents and attested under their respective corporate seals by their respective secretaries or assistant secretaries.

THE CHESAPEAKE AND OHIO RAILWAY COMPANY

By .....
President

Attest:

.....
Secretary

THE NEW YORK, CHICAGO AND ST. LOUIS RAILWAY COMPANY

By .....
President

Attest:

.....
Secretary

In the Presence of:
As to The Chesapeake and Ohio Railway Company

.....

.....

.....

As to The New York, Chicago and St. Louis Railway Company

.....

.....

.....

STATE OF
County of } ss.:

I, the subscriber, , a notary public in and for the County and State aforesaid, do certify that on this day of , in the year 19 , the above named , who executed the foregoing instrument and who is, and is personally known to me to be, the President of The Chesapeake and Ohio Railway Company mentioned below, personally came and appeared before me in my said County, and said , being by me duly sworn, did depose and say that he resides in ; that he is the President of The Chesapeake and Ohio Railway Company, one of the corporations described in and which executed the above writing and instrument bearing date the day of , 19 , and is authorized by said corporation to execute and acknowledge deeds and other writings of said corporation; that he knows the seal of said corporation and that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, that he signed his name thereto by like order, and that said writing was signed and sealed by him on behalf of said corporation by its authority duly given; and said duly acknowledged that he signed and executed said writing and instrument as his free and voluntary act and deed and as the free and voluntary act and deed of said corporation, for the uses and purposes therein expressed and mentioned.

GIVEN under, and in witness whereof I have hereunto set, my hand and official seal this day of , 19 . I do further certify that my commission as a notary public will expire on

STATE OF
County of } ss.:

I, the subscriber, , a notary public in and for the County and State aforesaid, do certify that on this day of , in the year 19 , the above named , who executed the foregoing instrument and who is, and is personally known to me to be, the President of The New York, Chicago and St. Louis Railway Company mentioned below, personally came and appeared before me in my said County, and said , being by me duly sworn, did depose and say that he resides in ; that he is the President of The New York, Chicago and St. Louis Railway Company, one of the corporations described in and which executed the above writing and instrument bearing date the day of , 19 , and is authorized by said corporation to execute and acknowledge deeds and other writings of said corporation; that he knows the seal of said corporation and that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, that he signed his name thereto by like order, and that said writing was signed and sealed by him on behalf of said corporation by its authority duly given; and said duly acknowledged that he signed and executed said writing and instrument as his free and voluntary act and deed and as the free and voluntary act and deed of said corporation, for the uses and purposes therein expressed and mentioned.

GIVEN under, and in witness whereof I have hereunto set, my hand and official seal this day of , 19 . I do further certify that my commission as a notary public will expire on

.

Exhibit No. 21.

PROPOSED FORM OF LEASE FOR HOCKING.

"A"

Indenture, dated the ..... day of ....., 1925, by and between THE HOCKING VALLEY RAILWAY COMPANY, a corporation of the State of Ohio, hereinafter called "the Lessor", party of the first part, THE CHESAPEAKE AND OHIO RAILWAY COMPANY, a corporation of the State of Virginia, hereinafter called "the Lessee", party of the second part, and THE NEW YORK, CHICAGO AND ST. LOUIS RAILWAY COMPANY, a corporation of the State of Ohio, party of the third part;

WHEREAS, the Lessor owns, controls and operates certain lines of railway and other property, with the appurtenances thereof, in the State of Ohio; and

WHEREAS, the Lessee desires to lease all such lines of railway and all other property and appurtenances of the Lessor, together with the rents, issues and profits thereof, and the Lessor is willing to lease the same unto the Lessee upon the terms and conditions set forth in this Indenture; and

WHEREAS, the Lessor and the Lessee respectively acknowledge that all acts and things required by law to make this indenture a valid, binding and enforceable indenture of lease in accordance with the terms and conditions hereof have been done and performed by the Lessor and by the Lessee respectively and have happened;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That in consideration of the mutual covenants and agreements herein contained and of other valuable considerations, the receipt of which by each of the parties to this indenture from the other is hereby acknowledged, the parties hereto respectively act, covenant and agree as herein stated.

The Lessor, subject to all of the terms and conditions herein set forth, has let, demised, leased and assigned, and does hereby let, demise, lease and assign, unto the Lessee, its successors and assigns, for the term hereinafter stated:

All and singular the right, title and interest of the Lessor in and to the following lines of railway and other property, real, personal and mixed, together with any and all other property owned by the Lessor or in which it has any interest, legal or equitable, whether or not herein specifically described, all of which are hereinafter sometimes referred to collectively as "the leased properties" viz.:

FIRST: All and singular the following described lines of railway and other property, and all other lines of railway at the effective date of this lease owned by the Lessor, and all the right, title and interest of the Lessor in and to any other lines of railway in or to which at said date the Lessor has any right, title or interest:

I

The following lines of railway:

1. A line of railway extending from a point at or near Athens, in the County of Athens and State of Ohio, thence through the Counties of Athens, Hocking, Fairfield, Franklin, Delaware, Marion, Wyandot, Seneca and Wood, all in the State of Ohio, to a point at or near Rockwell Junction, in the County of Wood and State of Ohio, being a distance of 195.5 miles.

2. A line of railway extending from a point of connection with the line of railway described in paragraph 1 above at or near Old Town, in the County of Hocking, State of Ohio, thence through the Counties of Hocking, Vinton, Gallia and Meigs to Pomeroy in the County of Meigs in said State, a distance of 80.7 miles.

3. A line of railway known as the Straitsville Branch, extending from a point of connection with the main line of the Lessor at or near Logan, in the County of Hocking, State of Ohio, thence through the Counties of Hocking and Perry to New Straitsville, in Perry County, in said State, a distance of 13 miles.

4. A line of railway known as the Monday Creek Branch, extending from a point of connection with the main line of the Lessor at or near Nelsonville, in the County of Athens, State of Ohio, thence through the Counties of Athens and Hocking to Monday Creek Junction, in Hocking County, in said State, a distance of 16.8 miles.

5. A line of railway known as the Snow Fork Branch, extending from a point of connection with said Monday Creek Branch at or near Snow Fork Junction, in the County of Athens, State of Ohio, through the Counties of Athens and Hocking to Murray City in Hocking County, in said State, a distance of 5.7 miles.

6. A line of railway known as the Brush Fork Branch, extending from a point of connection with

said Snow Fork Branch at or near Brush Fork Junction (near Orbiston), in the County of Hocking, in the State of Ohio, to New Pittsburgh, in said County and State, a distance of 2.6 miles.

7. A line of railway known as the Sugar Creek Branch, extending from a point of connection with the main line of the Lessor, at or near Hocking, in the County of Athens, State of Ohio, to and beyond Poston, in said County and State, a distance of 5.9 miles.

II

All appurtenances of every of the lines of railway of the Lessor, whether such appurtenances are at the effective date of this lease owned by the Lessor or may thereafter be acquired by it, to wit:

All telegraph and telephone lines, including all poles, wires and instruments, all rights of way, station and depot grounds, all tunnels, roadbeds, spurs, double tracks, turnouts, switches, sidings and turntables, all superstructures, bridges, stringers, ties, rails, frogs, chairs, bolts, splices, signals and signal apparatus and other railroad appurtenances, all terminals and terminal properties, all station houses, warehouses, freight houses, engine houses. car houses, tower houses, yard buildings, water stations, water tanks, water supply, fuel stations, fuel tanks, fuel supply, machine shops and other structures, all engines, tenders, cars and other rolling stock and equipment (including floating equipment, if any), all furniture, machinery, tools, implements, materials and supplies, and all other property. real, personal and mixed, appurtenant to any of said lines of railway and branches, and also all the estate, right, title, interest, property, possession, claim and demand whatsoever, as well in law as in equity, of the Lessor of, in and to said railways, premises and property, and every part and parcel thereof, with the appurtenances, and the franchises appertaining or hereafter to appertain thereto.

SECOND: All terminals and terminal properties, yards, depots, roundhouses, turntables, stock yards, side and spur tracks, at the effective date of this lease owned by the Lessor or at any time thereafter acquired by it, and

all structures, tracks and improvements, fixtures and appurtenances at the effective date of this lease or at any time thereafter constructed on any thereof and pertaining or to appertain to any thereof, and any and all corporate rights, privileges and franchises at the effective date of this lease or at any time thereafter owned by the Lessor and pertaining or to appertain to any thereof.

THIRD: Any and all additions, improvements and betterments at the effective date of this lease owned or thereafter acquired or constructed to or upon or in connection with any and all lines of railway, extensions, branches, terminal properties, telegraph and telephone lines and lines of water transportation at the effective date of this lease or at any time thereafter acquired and owned by the Lessor; any and all property, real or personal, of every kind and description, at the effective date of this lease owned or at any time thereafter acquired for use upon, or in connection with, or for the purposes of any of such lines of railway, extensions, branches, terminal properties, telegraph and telephone lines and lines of water transportation if any.

FOURTH: All leases, and all trackage, traffic and operating contracts and other rights and all renewals and extensions thereof which at the effective date of this lease are owned by the Lessor or used and enjoyed by it in the operation of its properties or which at any time hereafter may be acquired or owned by it, including the following:

1. The leasehold interest in the railroad and other properties of The Pomeroy Belt Railway Company, an Ohio corporation, under an indenture between said corporation and the Lessor made May 20, 1911, the terms thereof being for , said railroad being situated at Pomeroy in County, State of Ohio and being 3.95 miles in length, with an extension up Kerrs Run a distance of 1.6 miles.

2. The leasehold interest in the railroad and other properties of The Wellston and Jackson Railway Company, an Ohio corporation, under an indenture between said corporation and the Lessor made January 1, 1901, the term thereof being for , and said railroad extending from Dundas to Jackson, all in County, State of Ohio, and being 17.26 miles in length, including branches.

(DESCRIPTIONS TO BE Corrected and Amplified)

FIFTH: The following shares of stock:

(List here in detail)

SIXTH: The following bonds, notes and certificates of indebtedness:

(List here in detail)

SEVENTH: All other railways, lines of railway, extensions, branches and bridges, lands, equipment (including floating equipment, if any), rolling stock, property, rights, and generally all property, real and personal, including stocks, bonds, obligations and indebtedness, rights, privileges and franchises owned by the Lessor at the effective date of this lease or at any time thereafter acquired and owned by it.

EIGHTH: All the corporate rights, franchises and privileges of the Lessor necessary to be enjoyed and exercised by the Lessee for the proper maintenance and use, operation and management of the leased properties, including the right to fix and establish from time to time and to collect, receive and appropriate to the Lessee's own use all tolls, rates and charges for the transportation of persons, property and mails not inconsistent with the requirements of such existing or hereafter enacted laws, federal or state, as may be constitutionally enforceable, and also the right to collect, receive and appropriate to the Lessee's own use all other income and revenue of every kind and description, of and from the leased properties; *provided, however,* that nothing herein contained shall operate to grant or demise, or be construed to include, the franchise to be a corporation possessed by the Lessor, or any other right, privilege or franchise of the Lessor which is, or may be, necessary to enable the Lessor to carry out the provisions of this lease, or to fully preserve the corporate existence and organization of the Lessor; and its said franchise to be a corporation, and all the rights, privileges and franchises requisite for the preservation of its corporate existence and organization, and for the proper performance by the Lessor of the terms

of this lease. are hereby expressly reserved and excepted from this lease.

NINTH: All property commonly known as current assets (except as provided in the following clause Tenth), including cash on hand or deposited in banks, special deposits, time deposits, notes, accounts and bills receivable, obligations of the United States of America, materials and supplies on hand or in transit, prepaid insurance premiums, discounts prepaid upon bills payable, prepaid taxes and all other prepayments, traffic and car service balances receivable, net balances receivable from agents and conductors and interest and dividends receivable.

TENTH: All other property of the Lessor, real, personal and mixed, of whatsoever kind and wheresoever situated, whether owned by the Lessor at the effective date of this lease or at any time thereafter acquired and owned by it, excepting only

(1) the books and records of the Lessor (other than those relating to the operation and accounts of the leased properties, which shall be turned over to the Lessee);

(2) deposits for the payment of dividends upon the shares of the outstanding capital stock and for the payment of interest upon the outstanding bonds and other obligations of the Lessor; and

(3) the payments to be made by the Lessee to and for account of the Lessor under this lease, and the rights of the Lessor against the Lessee arising out of this lease or out of the covenants and agreements of the Lessee herein contained.

TO HAVE AND TO HOLD the leased properties and their appurtenances, together with the proceeds, rents, issues and profits thereof, unto the Lessee, its successors and assigns, for its and their own proper use and benefit, from the day of , 1925, for the term of Nine Hundred and Ninety-nine (999) years then next ensuing;

SUBJECT, HOWEVER, to the lien or charge of the following described instruments insofar as the same may by their terms respectively attach to any part or parts of the leased properties, namely:

(1) First Consolidated Mortgage dated March 1, 1899, to Central Trust Company of New York, as Trustee (Central Union Trust Company of New York, successor trustee);

(2) First Mortgage dated August 17, 1867, of The Columbus and Hocking Valley Railroad Company to William Dennison, Trustee, and Extension Contract of the Lessor dated March 1, 1899;

(3) First Mortgage dated August 1, 1875, of The Columbus and Toledo Railroad Company to Samuel M. Young and William G. Dishler, Trustees, and Extension Contract of the Lessor dated August 1, 1905.

(DESCRIPTIONS TO BE Corrected and Amplified)

AND SUBJECT ALSO to all other existing mortgages and other liens upon and trusts affecting the leased properties or any part thereof, and to all valid contracts, agreements and covenants relating thereto or to any part thereof, and, to the full extent to which the leased properties are now so subject, to the Lessor's entire funded and other debts, obligations and liabilities, fixed and contingent, whether or not herein specifically mentioned or referred to; the Lessee, its successors and assigns yielding and paying therefor to or for account of the Lessor, its successors and assigns, at the times and in the manner hereinafter provided, the amounts hereinafter specified, and keeping and performing all and singular the covenants and agreements hereinafter set forth to be kept and performed by the Lessee.

And it is hereby further mutually covenanted and agreed by and between the parties hereto as follows:

ARTICLE ONE

CAPITAL STOCK OF LESSOR AND THIRD PARTY

SECTION 1. The Lessor covenants that it has an authorized capital stock of Eleven Million Dollars ($11,000,000), consisting of One Hundred Ten Thousand (110,000) shares of Common Stock of the par value of One Hundred Dollars ($100) each, all of which shares of stock have been issued and all of which, except five (5) shares held in the treasury of the Lessor, are outstanding in the hands of the public. Of such shares the Lessee owns Eighty-eight Thousand Three Hundred Seveny-nine (88,379), of which Eighty-eight Thousand Two Hundred Fifty (88,250) are pledged under the Lessee's First Lien and Improvement Mortgage.

SECTION 2. The third party covenants that it has an authorized capital stock of Three Hundred Forty-five Million Dollars ($345,000,000) divided into Three Million Four Hundred Fifty Thousand (3,450,000) shares of the par value of One Hundred Dollars ($100) each, of which One Million Five Hundred Fifty Thousand Five Hundred (1,550,500) shares are six per cent. (6%) cumulative preferred stock, Series "A" (hereinafter called Preferred Stock, Series "A", of the third party), and One Million Eight Hundred Ninety-nine Thousand Five Hundred (1,899,500) shares are Common Stock. Of said authorized capital stock of the third party there remains unissued a sufficient number of shares of Preferred Stock, Series "A", and of Common Stock of the third party for the purposes set forth in Article Two of this lease which the third party is duly authorized to issue for such purposes.

ARTICLE TWO

COVENANTS OF LESSEE

The Lessee covenants with the Lessor as hereinafter in this Article Two set forth:

SECTION 1. (1) To give notice of this lease, promptly after the execution and delivery hereof, to each and every holder of a share or shares of the capital stock of the Lessor, by a notice in writing, setting forth in full this Section 1, a copy of which notice shall be mailed to each such stockholder at his last-known post office address as shown by the records of the Lessor, or, in case no such address shall be so shown, then in care of the Lessor's secretary, and shall be published at least once a week for three successive weeks in one newspaper of general circulation in the City of Columbus, Ohio; and (2) to cause the third party to issue at any time within one year from the date of the execution and delivery of this lease, upon demand of holders of shares of the capital stock of the Lessor, other than the Lessee, and without expense to them (except as hereinafter provided in respect of adjustment of dividends), in exchange for and upon surrender to the third party, either at the third party's principal office, 1200 Marshall Building, Cleveland, Ohio, or at the office of J. P. Morgan & Co., 23 Wall Street, New York City, of the certificates for the shares of the capital stock of the Lessor held by them respectively, properly endorsed in blank for transfer or accompanied by proper instruments of assignment executed in blank, certificates for shares of the capital stock of the third party, upon the following basis:

For each One Hundred (100) shares of Common Stock of the Lessor, fifty (50) shares of Preferred Stock, Series "A", and fifty (50) shares of Common Stock of the third party.

Should any stockholder of the Lessor be entitled to receive a fraction of a share of stock of the third party upon any exchange as aforesaid, a certificate of ownership thereof shall be issued to him. Such certificate shall provide that, when certificates for fractions of shares of stock equal to one or more whole shares shall be presented and surrendered to the third party, a certificate for a full share or full shares of its stock, equivalent in amount to the aggregate of such fractions of shares, shall be issued in place thereof, but fractions of shares shall not be entitled to any interest or dividends, nor shall any holder thereof be entitled to vote thereon at any meeting of the third party's stockholders or to notice of any such meeting.

All shares of stock of the Lessor received by the third party upon any exchange as aforesaid shall become and be the property of the third party, to be thereafter held or disposed of by it as it may in its discretion determine.

Upon any exchange of stock as aforesaid, there shall be a dividend adjustment as follows, to-wit:

It is contemplated that dividends on the third party's stock, both Preferred Stock, Series "A", and Common Stock, will be paid on the first days of January, April, July and October for the quarters consisting of the three calendar months next respectively preceding, and that such dividends will be payable to stockholders of record at the close of business on the fifteenth days of November, February, May and August of the quarters for which the dividends are respectively paid.

It is contemplated that dividends on the Lessor's Common Stock (other than stock of the Lessor owned by the third party) will continue to be paid on the 30th day of June and the 31st day of December for the six calendar months next respectively preceding, and that such dividends will in each case be payable to stockholders of record at the close of business on the fifteenth day of the month in which such dividend shall be payable.

Upon the exchange of any shares of Common Stock of the Lessor for stock of the third party, between the close of business on June 15 and August 15, or December 15 and February 15, there shall be no dividend adjustment.

Upon the exchange of any shares of Common Stock of the Lessor for stock of the third party, between the close of business on February 15 and May 15, or August 15 and November 15, the Lessee shall, in addition to causing delivery of the certificate for stock of the third party as aforesaid, cause to be paid to the stockholder in cash one dollar and fifty cents ($1.50) for each share of stock of the third party to be delivered in exchange.

Upon the exchange of any shares of Common Stock of the Lessor for stock of the third party between the close of business on May 15 and June 15 or November 15 and December 15, the Lessee shall, in addition to causing delivery of the certificate for stock of the third party as aforesaid, cause to be paid to the stockholder in cash three dollars ($3.00) for each share of stock of the third party to be delivered in exchange.

If the first or fifteenth day of any month shall fall on a Sunday or a legal holiday, the next succeeding business day shall take its place.

If any change should be made in the dates of dividend payments or in the taking of a record of stockholders for such payments or in the rate of dividends on stock of the third party, the dividend adjustment shall be changed correspondingly.

SECTION 2. (A) To give notice of this lease, within sixty (60) days after the execution and delivery hereof, to each and every holder of a share or shares of the capital stock of the Lessor who shall not theretofore, by vote or otherwise, in person or by proxy, as to his said share or shares, have assented to this lease. Such notice shall be in writing, and shall set forth in full Sections 1 and 2 of this Article, and a copy thereof shall be mailed to each of such stockholders, hereinafter in this Section referred to as "non-assenting stockholders", at his last-known post office address as shown by the records of the Lessor, or, in case no such address shall be so shown, then in care of the Lessor's secretary.

(B) To pay in cash to, or to deposit in cash with to the credit of, each non-assenting stockholder who shall be dissatisfied with this lease and who shall, at any time within sixty (60) days from the date of the mailing of the notice provided for in part (A) of this Section, signify his dissent and demand payment, pursuant to the provisions of this part (B) of this Section, for his non-assenting share or shares, by notice in writing signed by him and delivered to the Lessee's secretary, upon the surrender and transfer of the certificate or certificates

representing his said non-assenting share or shares as hereinafter provided, and in full compromise, settlement and adjustment of all his claims, rights and objections in the premises, and if, but not unless, this lease shall have continued and shall then be in full force and effect, the average market value (determined as hereinafter provided) of his said non-assenting share or shares for the six months next preceding the day of the meeting of stockholders of the Lessor at which this lease was approved, to wit....., 1925, without regard to any depreciation or appreciation in consequence of this lease, together with interest on such value at the rate of six per centum (6%) per annum from the effective date of this lease to the date of the payment of the amount of such value and interest to said stockholder, or of the deposit thereof to his credit; *provided, however,* that if the market prices, or any of them, during said period were or shall be abnormally enhanced or depressed in contemplation of this lease or otherwise, evidence other than proof of market sales during that period may be resorted to for the purpose of showing such average market value. After so signifying his dissent and demanding payment, the non-assenting stockholder may not recant his action in this regard or assert any right or avail himself of any remedy whatever except as in this part (B) of this Section provided. If any such non-assenting stockholder and the Lessee cannot agree as to such average market value, computed under the terms and conditions above provided, it shall be determined and fixed, pursuant to said terms and conditions, by three appraisers to be appointed, upon application and notice as hereinafter provided, by the Interstate Commerce Commission or in such manner as said Commission may provide, or, in case said Commission shall fail within thirty (30) days after such application either to appoint such appraisers or to provide the manner of their appointment, then to be appointed by a Judge of the United States District Court for the Southern District of Ohio.

Any such application may be made either by said non-assenting stockholder or by the Lessee within the times following:

(1) To the Interstate Commerce Commission, within thirty (30) days after said non-assenting stockholder shall have so signified his dissent and demanded payment;

(2) In case said Commission shall fail or refuse to act within thirty (30) days after such application, then, within thirty (30) days thereafter, to said United States District Judge;

and the applying party shall give to the other party at least ten (10) days' written notice of each such application, which notice must specify the time when and the place where such application will be made; but if, at the expiration of any such period of thirty (30) days, the person in whose name said share or shares shall stand on the books of the Lessor shall not be living or shall be under any disability, his executor, administrator, guardian, committee, conservator, or other proper representative, as the case may be, shall be entitled to make such application within thirty (30) days thereafter upon like notice. If said Judge shall fail within thirty (30) days after such application to him to appoint such appraisers, then such average market value, computed under the terms and conditions above provided, shall be determined and fixed, pursuant to the said terms and conditions, by an appraiser selected and designated for the purpose by the non-assenting stockholder, and an appraiser selected and designated for the purpose by the Lessee, and a third appraiser to be chosen by these two.

Any vacancy in the board of appraisers occurring by refusal or failure to serve, or otherwise, shall be filled by the remaining member or members of the board.

The appraisers shall be entitled to reasonable compensation for their services and to reimbursement for their necessary and reasonable expenses, and such compensation and expenses shall be paid by the Lessee.

The appraisers shall meet at a time and place to be selected by them and of which ten (10) days' written notice shall be given by them to each party, and, after being duly sworn honestly and faithfully to discharge their duties, they, or any two of them, shall estimate and certify such average market value and deliver one copy of their appraisal to each party. Their appraisal, or that of any two of them, shall be final and conclusive upon both parties.

When the Lessee shall have paid to said non-assenting stockholder the amount of such value, whether determined and fixed by agreement or by appraisal, as aforesaid, together with interest thereon, as hereinbefore provided, or shall have deposited the same to his credit with said non-assenting stockholder shall cease to have any title to or interest in said share or shares or in the property of the Lessor, and all such title and interest shall pass to and vest in the Lessee.

As an express condition precedent to receiving payment or withdrawing such deposit said non-assenting stockholder shall deliver to the Lessee or, in case such

deposit shall have been made with said , then to said , his said non-assenting share or shares and the certificate or certificates representing the same, duly endorsed in blank for transfer or accompanied by proper instruments of transfer executed in blank, and said share or shares, together with all rights and interests thereunto belonging and appertaining, including all cash, securities and other benefits accruing to said share or shares from or by reason of this lease, or otherwise, shall thereupon become and be the property of the Lessee.

(C) To buy and pay for, in such amount and manner, the non-assenting share or shares of any such non-assenting stockholder who shall not have elected to make settlement pursuant to the foregoing part (B) of this Section, as may be finally ordered, adjudged, decreed or determined by the order, judgment, decree or determination of any court, commission or other tribunal, state or federal, of competent jurisdiction, and to hold the Lessor, its directors, officers, agents and employees, harmless against any payment, claim or liability which may be so ordered, adjudged, decreed or determined; *provided, however,* that the Lessee shall have the right, which is hereby expressly reserved, to remove, pursuant to the statutes in such case made and provided, any action, suit or proceeding instituted by said stockholder, from the court or tribunal in which same shall be pending to any other court or tribunal, state or federal, and to procure the review or enjoin the enforcement of any such order, judgment, decree or determination either by appeal, writ of error, certiorari, suit in equity or otherwise, pursuant to law and the statutes in such case made and provided, by any court or tribunal, state or federal, having jurisdiction to review or enjoin the enforcement of the same; and *provided, further,* that nothing herein contained shall require the Lessee to buy any such share or shares or to make any such payment as long as the Lessee in good faith and by appropriate legal proceedings shall contest the validity of or seek to review any such order, judgment, decree or determination, and that nothing in this Section shall be construed to create any right, obligation or presumption in favor of any non-assenting stockholder or any other person who shall not elect, subscribe to and be governed by the provisions of said part (B) of this Section, it being the true intent and purpose of all provisions

of this Section in respect of non-assenting stockholders that no covenants, agreements or arrangements herein shall be construed as creating any right against or obligation on the part of the Lessee or the Lessor, or any presumption of any such right or obligation, except as in part (B) of this Section expressly provided, and except the contingent obligation of the Lessee to the Lessor provided in this part (C) of this Section. Except where non-assenting stockholders shall accept and elect and be governed by the provisions of part (B) of this Section, the Lessee shall be free to deny or contest in good faith not only the amount but the fact of any liability to dissenting or non-assenting stockholders, and to any or all classes of such stockholders.

(D) Anything hereinbefore in this Section to the contrary notwithstanding, no non-assenting stockholder of the Lessor who shall, separately or in conjunction with any other stockholder or stockholders of the Lessor, either in his or their own name or names, or otherwise, institute or cause to be instituted, or voluntarily become, by intervention or otherwise, a party to, any action, suit or other proceeding in or before any court, commission or tribunal, state or federal, for the purpose of enjoining or otherwise preventing the authorization, approval, execution or delivery of this lease, or of voiding or setting aside this lease, or of recovering the value of his or their share or shares of stock of the Lessor or of asserting any claim or objection in respect thereof except as provided by part (B) of this Section, shall have any rights, privileges or powers whatsoever under this Section, it being the true intent and purpose of all of the provisions of this Section in respect of non-assenting stockholders that any such stockholder who shall be dissatisfied with this lease shall irrevocably elect the exclusive right or remedy under part (B) of this Section which he shall desire to assert or invoke in the premises or be remitted to the remedies, if any, provided by law.

SECTION 3. To pay to the Lessor, from time to time, at the office of the Lessor in the City of , State of Ohio, the amounts in this Section set forth as hereinafter in this Section provided, that is to say:

(1) In case of the payment of any dividend, for any quarterly or other period, at the rate of six per centum (6%) per annum upon the Preferred Stock, Series "A", of the third party, to pay to the Lessor an amount equal to a dividend for the same period at the rate of two and three-quarters per centum (2.75%) per annum (and, in case of the payment of any dividend at the rate of more or less than six per centum (6%) per annum upon said Preferred Stock, Series "A", to pay to the Lessor a proportionately greater or less amount, as the case may be) upon each share of Common Stock of the Lessor outstanding and not at the date of such payment owned by the third party and registered on the books of the Lessor either in the name of the third party or in the name of a nominee of the third party of which written notice shall have been given to the Lessor.

(2) In case of the payment of any dividend, for any quarterly or other period, at the rate of six per centum (6%) per annum upon the Common Stock of the third party, to pay to the Lessor an amount equal to a dividend for the same period at the rate of two and three-quarters per centum (2.75%) per annum (and, in case of the payment of any dividend at the rate of more or less than six per centum (6%) per annum upon said Common Stock, to pay to the Lessor a proportionately greater or less amount, as the case may be) upon each share of Common Stock of the Lessor outstanding and not at the date of such payment owned by the third party and registered on the books of the Lessor either in the name of the third party or in the name of a nominee of the third party of which written notice shall have been given to the Lessor.

Payment of the amounts to be paid by the Lessee as provided in the foregoing paragraph (1) shall be made by the Lessee concurrently with the payment by the third party of dividends on said Preferred Stock, Series "A"; and the obligation of the Lessee to make the payments referred to in said paragraph (1) shall rank *pari passu* with the obligation of the third party to pay dividends on said Preferred Stock, Series "A". Payment of the amounts to be paid by the Lessee as provided in the foregoing paragraph (2) shall be made by the Lessee concurrently with the payment by the third party of dividends on the Common Stock of the third party; and the obligation of the Lessee to make the payments referred to in said paragraph (2) shall rank *pari passu* with the obligation of the third party to pay dividends on its Common Stock.

The third party hereby waives, as to any shares of the capital stock of the Lessor owned by the third party and registered on the books of the Lessor either in the name of the third party or in the name of a nominee of the third party, of which written notice shall have been given to the Lessor, at the date of each and every payment made by the Lessee to the Lessor as provided in the foregoing paragraphs (1) and (2), all right to participate as a stockholder of the Lessor in any dividend or distribution which may be paid by the Lessor in anticipation or as a result or by reason of such

payment. For all other purposes and in all other respects, the third party shall have all rights of a stockholder with respect to stock of the Lessor at any time owned by the third party.

The Lessee shall have all rights of a stockholder with respect to any stock of the Lessor owned by the Lessee; and the foregoing waiver by the third party shall not in any way affect or limit the rights of the third party with respect to stock of the Lessor owned by the Lessee and which may be leased by the Lessee to the third party.

Nothing herein contained shall restrict the third party from creating and/or issuing, at any time, additional shares of its capital stock, Preferred and/or Common, whether of the classes now authorized or of any class or classes hereafter created. If either the Preferred Stock, Series "A", or the Common Stock of the third party should be exchanged or converted as a class into stock of a consolidated or other successor corporation or into stock of the third party of other classes, the amount of dividends on the share or shares issued upon any such exchange or conversion for a share of Preferred Stock, Series "A", or of Common Stock of the third party shall be substituted as the basis for computation and adjustment of rental in place of the dividends upon the Preferred Stock, Series "A", or Common Stock of the third party above specified in this Section as the basis for computation and adjustment of rental; and if either the Preferred Stock, Series "A", or the Common Stock of the third party should be retired or cancelled as a whole without substitution of other shares therefor, then the rental payments thereafter shall be the amounts which the Lessee would be required to pay under the provisions of this Section if such stock were still outstanding and dividends at the rate of six per centum (6%) per annum were being paid thereon, quarterly.

SECTION 4. (A) To pay to or upon the written order of the Lessor, on the first day of each month during the continuance of this lease, such sums as may from time to time be necessary to maintain and preserve the corporate existence of the Lessor, with such organization as may be necessary for the purposes of the Lessor under this lease; also such sums as will enable the Lessor to provide for and pay all necessary expenses and disbursements in connection with any and all acts, steps or things required to be done by or on behalf of the Lessor pursuant to any of the provisions of this lease or required by law or by any public authority. The amounts so to be paid shall be determined by agreement between the boards of directors of the Lessor and the Lessee and shall remain in force until changed by said boards of directors. In case of disagreement the matter shall be

referred to arbitration in the manner provided in Article Eight of this lease, and the Lessor and the Lessee shall abide by the result of such arbitration.

(B) To establish with the Lessor, upon the effective date of this lease, a working fund in an amount which shall not, without the consent of the Lessee, exceed $. Such working fund and all interest thereon or proceeds therefrom shall be and shall remain at all times the property of the Lessee and shall be repaid by the Lessor to the Lessee at the expiration of this lease or, at the option of the Lessor, prior to such expiration, and such earlier repayment may be either in whole or in part. The Lessor shall have the right to use such working fund or any part thereof necessary for either or both of the following purposes:

(1) For the payment, upon the established dividend dates of the Lessor, of dividends upon the outstanding shares of the capital stock of the Lessor (other than upon stock of the Lessor owned by the third party, and registered in its name or in the name of its nominee) in anticipation of the receipt from the Lessee, within the next three months following, of rental payments sufficient for such dividends of the Lessor under the provisions of Section 3 of this Article; *provided* (*a*) that no dividends from such working fund shall be paid at a rate in excess of five and one-half per centum (5½) per annum upon the Common Stock of the Lessor and (*b*) that the Lessor shall, upon the receipt by it of rental payments under the provisions of said Section 3, forthwith reimburse said working fund with the amount by which such fund shall have been depleted by reason of dividend payments by the Lessor therefrom.

(2) For the payment of expenses of maintaining the corporate existence and organization of the Lessor, provided for in part (A) of this Section 4, in anticipation of the receipt by the Lessor of payments from the Lessee for such expenses as provided in said part (A). The Lessor shall, upon the receipt by it of payments for such expenses as provided in said part (A), from time to time forthwith reimburse said working fund with the amount by which such fund shall have been depleted by reason of payments for expenses by the Lessor therefrom.

If at any time or from time to time during the continuance of this lease it should become apparent that the working fund as initially established is larger than the Lessor shall reasonably require for the purposes

aforesaid, the Lessor agrees to repay to the Lessee at that time such amount as shall not then be necessary for such purposes. If at any time thereafter it should become apparent that the working fund as so reduced is insufficient for such purposes of the Lessor, the Lessee shall re-establish the fund, temporarily or for such periods as may be required, to the extent necessary for such purposes, but not exceeding the amount above specified.

SECTION 5. From time to time, to pay and discharge, or to cause to be paid and discharged, as and when the same become due and payable, all lawful taxes, assessments and governmental charges which, prior to the effective date of this lease, may have been, or which, during the continuance of this lease, may be, lawfully levied, imposed or assessed upon the Lessor or upon the leased properties, or upon the companies or properties of companies controlled by the Lessor and which then may be operated by the Lessee as part of the Lessor's transportation system, or upon or in respect of the earnings or income of the Lessor or of any such companies or properties, or upon or in respect of the amounts payable by the Lessee under this lease, including specifically, but without in any manner limiting the foregoing, all income and/or excess profits taxes so levied, imposed or assessed by the United States or by any state thereof or by the Dominion of Canada or by any province thereof or by any other foreign country, but not including any tax or taxes payable by any stockholder of the Lessor or, in respect of any such controlled companies, by any stockholder, other than the Lessor, of any such controlled company.

With the consent of the board of directors of the Lessor, the obligation of this Section 5, with respect to such controlled companies of the Lessor, may cease and determine in whole or in part.

SECTION 6. From time to time, to pay, or to cause to be paid, as and when such interest shall become due and payable, amounts equal to all interest which during the continuance of this lease may become due and payable (1) upon any and all bonds, notes and other obligations and evidences of indebtedness heretofore issued, incurred or assumed by the Lessor and now outstanding, and (2) upon any and all other bonds, notes and other obligations and evidences of indebtedness which may at any time hereafter be issued by the Lessor as provided in Section 4 of Article Four of this lease. Such payments at the option of the Lessee may be made either to the Lessor or to the obligees of such securities.

SECTION 7. From time to time to pay, or to cause to be paid, as and when the same become due and payable, all rentals and other charges which, during the continuance of this lease, may become due and payable under any lease or any traffic, trackage or other operating contract, or under any other contract of whatsoever kind, heretofore entered into or assumed or accepted by the Lessor and now in force, or which may at any time hereafter be entered into by the Lessor with the approval of the Lessee; *provided, however,* that the Lessee shall have the right, subject to the provisions of existing mortgages, to secure the modification, amendment or abrogation of any such lease or of any such traffic, trackage, operating or other contract in any proper or lawful way and to use the name and powers of the Lessor for any such purpose; and *provided further,* that the general integrity and continuity of the transportation system of the Lessor shall not in any event be impaired thereby without the consent of the Lessor's board of directors.

SECTION 8. To insure and keep insured, during the continuance of this lease, the buildings and other structures, rolling stock and other equipment (including floating equipment, if any), tools and machinery and all other property appurtenant to the leased properties usually insured by railway companies and in the same manner and to the same extent, and to cause each of the companies controlled by the Lessor to insure and keep insured, during the continuance of this lease, the property of such company usually insured by companies of like character, and in the same manner and to the same extent.

With the consent of the board of directors of the Lessor, the obligation of this Section 8 may cease and determine in whole or in part.

SECTION 9. To keep, perform and observe, or to cause to be kept, performed and observed, during the continuance of this lease, all the valid covenants, terms and conditions to be kept, performed and observed by the Lessor contained in any and all mortgages, trust agreements, leases and traffic, trackage and other operating contracts, and under any other contracts of whatsoever kind, heretofore entered into or assumed or accepted by the Lessor and now in force, or which may at any time hereafter be entered into by the Lessor with the approval of the Lessee, as provided in Section 6 of Article Four hereof, as fully as the Lessor is bound to keep, perform and observe the same; *provided, however,* that the Lessee shall have the right, subject to the provisions of existing mortgages, to secure the modification, amendment or abro

gation of any such lease, or of any such traffic, trackage, operating or other contract in any proper and lawful way and to use the name and powers of the Lessor for any such purpose; and *provided further* that the general integrity and continuity of the transportation system of the Lessor shall not in any event be impaired thereby without the consent of the Lessor's board of directors.

SECTION 10. To pay, satisfy and discharge, or to cause to be paid, satisfied and discharged, duly and punctually, all current obligations and liabilities of the Lessor existing at the effective date of this lease.

SECTION 11. To indemnify and save harmless the Lessor and companies whose properties are operated by the Lessee as part of the Lessor's transportation system of and from any and all losses, expenses, costs, damages, claims and demands whatsoever existing at the effective date of this lease or which at any time during the continuance of this lease may arise out of the operation or maintenance of the leased properties, or of the properties of companies whose properties are operated by the Lessee as part of the Lessor's transportation system, or any part thereof, or by reason of any omission on the part of the Lessee, its agents or employees, to perform any duty, act or thing required by law or by this lease to be performed in or about the maintenance or operation of the same; and, generally, in respect of the leased properties and the maintenance, management and operation thereof during the continuance of this lease, to observe, perform and fulfill all duties and obligations which now rest or may hereafter be imposed upon the Lessor or companies whose properties are operated by the Lessee as part of the Lessor's transportation system under or by virtue of law or otherwise to the same extent and effect as the Lessor or such companies would be compelled to observe, perform and fulfill such duties and obligations if this lease had not been made; and to defend, without expense to the Lessor or such companies, any and all actions, suits and proceedings now pending, or which during the continuance of this lease shall be brought, against the Lessor or such companies upon causes of action accruing prior to the effective date of this lease or as the result of anything done by the Lessee or at the Lessee's request during the continuance of this lease.

SECTION 12. To maintain, keep and preserve, at all times during the continuance of this lease, in as good state and condition as when received, and at its own proper cost and without expense to the Lessor, all of the physical properties hereby leased and, during the period

that such properties shall be operated by the Lessee, all of the physical properties of companies controlled by the Lessor and which at the time may be operated by the Lessee as part of the Lessor's transportation system, except such parts thereof as may be sold or otherwise disposed of, abandoned or retired as in this lease provided; and to comply with all valid orders of public authorities in connection with the operation and maintenance of such properties. Whenever during the continuance of this lease any of the rolling stock or other equipment (including floating equipment, if any) turned over to the Lessee under this lease, or any replacement thereof, shall be damaged or destroyed or shall otherwise become unfit for the use for which it was intended, the Lessee at its own cost and expense shall cause the same to be repaired, renewed, replaced or rebuilt, or, if such repair, renewal, rebuilding or replacement in kind shall in the opinion of the Lessee be inexpedient, then the Lessee shall replace such rolling stock or other equipment (including floating equipment, if any) with other rolling stock or other equipment (including floating equipment, if any) of a value equal to the value, at the effective date of this lease, of that not so replaced in kind, and all such new rolling stock and other equipment (including floating equipment, if any) shall thereupon be and become the property of the Lessor but subject to this lease, and the Lessee shall not be entitled to be reimbursed by the Lessor for the cost of any such repair, renewal, rebuilding or replacement. If during the continuance of this lease, any part or parts of the physical properties hereby leased or of the physical properties of companies controlled by the Lessor and which at the time may be operated by the Lessee as a part of the Lessor's transportation system, other than rolling stock and other equipment (including floating equipment, if any), shall be sold or otherwise disposed of, abandoned or retired by the Lessee, the Lessee shall account to the Lessor at the termination of this lease for the original cost, estimated if not known, of the same.

SECTION 13. To furnish annually to the Lessor, on or before May 1 in each year, commencing May 1, 1926, a detailed list of rolling stock and other equipment (including floating equipment, if any) owned by the Lessor and leased to the Lessee on the preceding December 31, showing the number of units, capacity, tractive effort and book value thereof.

SECTION 14. To permit the Lessor from time to time, but not oftener than once in any twelve (12) months, to make such reasonable inspection of the leased properties

and of the books and records of the Lessee relating thereto as the Lessor shall desire.

SECTION 15. To operate and develop, or to cause to be operated and developed, to its best ability, by itself or through others, the leased properties at all times during the continuance of this lease.

SECTION 16. At the expiration or termination (otherwise than as provided in Article Five) of this lease, to return to the Lessor the leased properties received by the Lessee, with such extensions, improvements, additions and betterments as shall have been made thereto, subject to the provisions of Article Seven hereof.

ARTICLE THREE

COVENANTS OF THE LESSOR

The Lessor covenants with the Lessee as hereinafter in this Article Three set forth:

SECTION 1. To preserve, or extend, or renew, and maintain, during the continuance of this lease, to the extent of its rights and powers, its corporate existence, with such organization as may be necessary for its purposes under this lease, and, to that end, from time to time to comply with whatever is or may be required of it by law, and to take all necessary proceedings for that purpose.

SECTION 2. At any and all times during the continuance of this lease, upon the written request and at the expense of the Lessee, to exercise and put in force each and every corporate power and franchise and do each and every corporate act necessary, proper or desirable to carry out the provisions of this lease and to enable the Lessee to avail itself of and to use, exercise and enjoy the leased properties, and the proceeds, rents, issues and profits thereof, and the rights, powers, privileges and franchises hereby granted in respect thereof; and, to the extent of its rights and powers, to execute, acknowledge and deliver to the Lessee such other and further instrument or instruments in writing and under the corporate seal of the Lessor, as may be necessary, proper or desirable better and more effectively to confirm and secure to the Lessee, its successors and assigns, the leased properties, and the proceeds, rents, issues and profits thereof, upon the terms and conditions in this lease expressed or intended and so to carry into effect the intent and meaning of this lease in relation thereto.

SECTION 3. At any time and from time to time during the continuance of this lease, upon the written request

and at the expense of the Lessee, to take all such lawful and proper measures and proceedings and do and perform, to the extent of its rights and powers, such lawful acts and things, as may be necessary, proper or desirable for the acquisition or procurement, by condemnation or otherwise, of any land, properties, privileges or franchises needed for or useful in the operation of the leased properties, or in connection therewith, or as may be necessary, proper or desirable to facilitate in any respect the increase, completion or improvement thereof, or of their capacity, by extension, enlargement, addition, or otherwise, or the more convenient, safe or profitable use or operation thereof, or for the protection and preservation of the same and of the rights and franchises connected therewith, or for maintaining the Lessee in the full and free enjoyment, during the continuance of this lease, of the leased properties and their appurtenances and proceeds and said rights and franchises.

SECTION 4. If hereafter it shall appear to the Lessee that the line or lines, route or routes, grade or grades of the railroads of the Lessor's transportation system, as theretofore adopted, or any of them, can, by a change thereof, be improved (provided always that the general integrity and continuity of the transportation system of the Lessor shall in no event be impaired without the consent of the board of directors of the Lessor), to take or cause to be taken from time to time, to the extent of its rights and powers, upon the written request and at the expense of the Lessee, such proceedings as may be deemed necessary by the Lessee for that purpose and to acquire, as hereinbefore provided, any and all additional lands, rights and privileges requisite for the purpose of making such changes.

SECTION 5. Upon the written request and at the expense of the Lessee, from time to time, to institute and prosecute in its own or other proper name any and all proper proceedings for the purpose of acquiring the right to cross, intersect or connect with any and all other railroads, rivers, canals, other waters, or public highways or properties, which it shall or may become necessary or desirable to cross, intersect or connect with, in connection with the operation of the Lessor's transportation system, or improvement or extension thereof.

SECTION 6. That the Lessee shall have the right and power, at all times during the continuance of this lease, to extend, enlarge, add to, improve or better the railroads and other physical properties hereby leased and the

physical properties of companies controlled by the Lessor and which at the time may be operated by the Lessee as part of the Lessor's transportation system, or any of them, in such manner and to such extent as the Lessee may deem desirable.

SECTION 7. The capital expenditures made by the Lessee under the provisions of Sections 3, 4, 5 and 6 of this Article shall be at the expense of the Lessee; but the Lessee shall be entitled to reimbursement therefor by the Lessor to the extent and otherwise as provided in Article Four of this lease.

SECTION 8. That the Lessee shall, at all times during the continuance of this lease, have all the rights and powers of the Lessor to arrange, use and control the leased properties and the properties of companies controlled by the Lessor and at the time operated by the Lessee as part of the Lessor's transportation system, and the proceeds thereof, and to regulate and determine the rates of tolls, freight and charges of transportation over the whole or any part thereof, and to charge and collect the same and appropriate the same to its own use; and shall have, hold, use, exercise and enjoy all rights, powers, privileges and franchises now possessed or which may hereafter be acquired by the Lessor, necessary or convenient to the use, possession, enjoyment, management, betterment, extension or operation of all such properties and their appurtenances, proceeds, rents issues and profits, as herein provided, which can or may be lawfully exercised or enjoyed on or about or in connection with all such properties, or any part thereof, or their appurtenances, proceeds, rents, issues or profits, or the use, maintenance, betterment, extension or operation of the same.

SECTION 9. That the Lessee may, from time to time during the continuance of this lease and while it is not in default hereunder, subject to the provisions in respect of accounting contained in Article Seven, use, consume, abandon, retire, sell or otherwise dispose of any line or lines of railway and any worn-out or disused material, equipment, or other tangible personal property not required for the proper operation and maintenance of the leased properties or of the properties of companies controlled by the Lessor and at the time operated by the Lessee as part of the Lessor's transportation system, and any lands, buildings or structures no longer required for such operation and maintenance, so far as such powers may be exercised in conformity with law and the provisions of any mortgages or other liens affecting any such

property, and that it will from time to time during the continuance of this lease, upon the written request and at the expense of the Lessee, if any such property is subject to lien, cause such resolutions to be adopted and make such requests and do such other things as may be reasonably requested by the Lessee for the purpose of causing any such property to be released from the lien or liens to which the same is subject; *provided, however,* that the proceeds of any real property so sold or disposed of, except as otherwise provided in any such mortgage, shall be expended by the Lessee for improvements, betterments or additions of or to the railroads or other physical properties hereby leased, or some portion thereof, or of or to the physical properties of any such controlled company of the Lessor as the case may be; and *provided further,* that the general integrity and continuity of the transportation system of the Lessor shall in no event be impaired by the exercise of any of such rights, powers and privileges by the Lessee unless the exercise thereof by the Lessee in the particular case shall have been approved by the board of directors of the Lessor; and *provided further* that, without the consent of the board of directors of the Lessor, the Lessee shall not abandon, retire, sell or otherwise dispose of any line or lines of railroad without replacement.

SECTION 10. To permit, at any and all reasonable times, such person or persons as the Lessee may designate to inspect the books and records of the Lessor for any purpose whatsoever.

SECTION 11. That if the Lessee shall at any time request the Lessor, in writing, to do any act required to be done by the Lessor under this lease and the Lessor shall fail or neglect to initiate the necessary steps to carry out such request within a period of ninety (90) days after such request shall have been received by it or shall thereafter fail or neglect to prosecute the same with reasonable diligence, the act so required to be done by the Lessor may be done by the Lessee, or its officers or agents, either in its name or in the name and as the act of the Lessor, and the Lessee may, for its own use and benefit, use the name, franchises and corporate powers of the Lessor for such purpose, provided that nothing herein contained shall affect or limit the exercise by the board of directors of the Lessor of any discretionary right or power by this lease reserved to or vested in said board of directors.

SECTION 12. The Lessee may use the name, franchises and corporate powers of the Lessor in commencing, prosecuting or defending any and all actions, suits and other legal proceedings as may, in the opinion of the Lessee, be necessary, proper or desirable to enable it to assert or maintain, or to defend or protect against invasion or injury, any right, franchise or privilege of the Lessor in reference to the leased properties or the properties of companies controlled by the Lessor and at the time operated by the Lessee as part of the Lessor's transportation system, or the use, maintenance, extension or operation thereof.

ARTICLE FOUR

COVENANTS RELATING TO CAPITAL ASSETS AND LIABILITIES

SECTION 1. The shares of stock, bonds and other securities mentioned and described in clauses Fifth and Sixth of the granting clauses of this lease, and any shares of stock, bonds and other securities which may at any time be acquired by the Lessor either in exchange or substitution for the shares of stock, bonds and other securities mentioned and described in said clauses Fifth and Sixth, or in addition thereto, or otherwise, shall not, except as in this Article provided, be delivered to the Lessee, but the Lessee shall, nevertheless, in respect of any and all such shares of stock, bonds and other securities, be entitled, from time to time during the continuance of this lease, and so long as the Lessee is not in default hereunder and subject to the terms and provisions of any mortgages, deeds of trust or other instruments affecting or relating to any such shares of stock, bonds or other securities, to have and exercise the rights and powers in this Section set forth, that is to say:

(1) The Lessee shall be entitled to receive all of the current dividends, interest and income upon such shares of stock, bonds and other securities, and the Lessor shall, from time to time, execute and deliver any and all such orders for the payment of any such dividends, interest and income as may be necessary to enable the Lessee to receive the same.

(2) The Lessee shall be entitled to vote upon such shares of stock and other securities having voting rights for the election of directors and for all other purposes not inconsistent with the provisions of this paragraph (2), and the Lessor shall, from time to time, execute and deliver any and all such

proxies and other instruments as may be necessary to enable the Lessee to vote as aforesaid. Except with the approval of the board of directors of the Lessor, the right of the Lessee to vote upon any such shares of stock or other securities having voting rights shall not be exercised to authorize any increase of capital stock or other change of capitalization, creation of funded debt, mortgage, lien or other charge (except purchase money mortgages and renewals or extensions of previously existing indebtedness, mortgages, liens or other charges), or any sale, lease, merger or consolidation; but, with the approval of the board of directors of the Lessor, the Lessee shall be entitled to vote upon any such shares of stock or other securities having voting rights for any of the purposes aforesaid.

(3) With the approval of the board of directors of the Lessor, but not otherwise, any such shares of stock, bonds and other securities may, from time to time, be sold, exchanged, mortgaged, pledged or otherwise disposed of by the Lessee.

(4) Any and all amounts which may at any time be or become payable or distributable upon any such shares of stock, bonds or other securities otherwise than as ordinary current dividends, interest and income, and which shall represent any payment or distribution of or on account of capital or principal (including any stock dividends which may at any time be declared and paid upon any such shares of stock) and any and all proceeds of the sale, exchange, mortgage, pledge or other disposition of any such shares of stock, bonds or other securities, shall, except as and to the extent that the board of directors of the Lessor may, from time to time, otherwise determine, be collected and received by the Lessor but subject to this lease and as a part of the leased properties, and any and all amounts of the character in this paragraph (4) specified shall be applied in such manner and for such purposes as may from time to time be approved by the board of directors of the Lessor upon the written request of the Lessee.

SECTION 2. Any bonds and other securities of the Lessor held by it in its treasury upon the effective date of this lease shall form a part of the leased properties but shall not be delivered to the Lessee. The possession of such bonds or other securities shall be retained by the

Lessor and such bonds or other securities or their proceeds shall be applied in such manner and for such purposes as may from time to time be approved by the board of directors of the Lessor upon the written request of the Lessee. With the approval of the board of directors of the Lessor, but not otherwise, any such bonds or other securities may, from time to time, be sold, exchanged, mortgaged, pledged or otherwise disposed of by the Lessee. All discounts, costs and expenses in connection with the issue or sale of any such bonds or other securities shall be borne by the Lessee without any charge to the Lessor for any part of any such discounts, costs or expenses.

SECTION 3. All additions, improvements, betterments and extensions of or to the leased properties or of or to properties of companies controlled by the Lessor and at the time operated by the Lessee as part of the Lessor's transportation system and all property represented by capital expenditures upon all such properties made by the Lessee during the continuance of this lease shall become and be the property of the Lessor and a part of the leased properties or the property of the company upon whose properties such additions, improvements, betterments, extensions or other capital expenditures shall have been made, subject to the terms and provisions of this lease and of any mortgages, deeds of trust or other instruments relating thereto. The Lessee shall be entitled to reimbursement as herein provided for the amount of the actual cost to it of any such additions, improvements, betterments, extensions or other capital expenditures made by the Lessee as aforesaid to the extent, but only to the extent, that the making of such additions, improvements, betterments, extensions or other capital expenditures and the amount thereof shall have been approved by the board of directors of the Lessor, either before or after such addition, improvment, betterment, extension or other capital expenditure shall have been made. Such reimbursement shall be by the issue by the Lessor to the Lessee of shares of stock and/or bonds and/or other securities as the Lessee shall elect as provided in Section 4 of this Article, and/or at the option of the Lessee by the application in whole or in part of the amount of such expenditures as a credit or offset to any indebtedness of the Lessee to the Lessor upon the termination of this lease up to but not exceeding the amount of such indebtedness of the Lessee to the Lessor.

SECTION 4. The Lessee shall pay, satisfy and discharge, or cause to be paid, satisfied and discharged, or shall renew, extend or refund, or cause to be renewed, extended or refunded, as and when the same become due and payable, the principal of (1) any and all bonds and other capital obligations and evidences of indebtedness and liabilities heretofore issued, incurred or assumed by the Lessor and now outstanding, and (2) any and all bonds or other capital obligations and evidences of indebtedness and liabilities which may from time to time hereafter be issued, incurred or assumed by the Lessor as provided in this Section. For the purpose of paying, redeeming or otherwise acquiring, or of renewing, extending or refunding, any or all such bonds or other capital obligations and evidences of indebtedness or liabilities, before, at or after the maturity thereof, or for the purpose of reimbursing the Lessee for the cost to it of any such payment, redemption, acquisition, renewal, extension or refunding, or for the purpose of reimbursing the Lessee for the cost of any capital expenditures made by the Lessee for which it may be entitled to reimbursement as provided in Section 3 of this Article, the Lessor, from time to time during the continuance of this lease, will, to the extent of its corporate powers and subject to any necessary governmental approval, upon the written request of the Lessee, make, execute, issue and deliver to the Lessee such shares of stock of such class or classes and/or such bonds or other securities in such amounts, bearing such rates of dividend or interest, payable at such times and secured in such manner in respect of the leased properties, as the Lessee may determine and as may be approved by the board of directors of the Lessor upon the written request of the Lessee, and such mortgages, deeds of trust and other instruments as the Lessee may determine and as may be approved by the board of directors of the Lessor upon the written request of the Lessee to be necessary or desirable to secure the payment of any such bonds or other securities or the Lessor shall otherwise obligate itself in such manner as the Lessee may determine and as the board of directors of the Lessor may approve upon the written request of the Lessee. In case any renewal or extension of any bonds or other obligations or evidences of indebtedness can be procured by the Lessee, the Lessee may arrange with the holders thereof for such renewal or extension, and from time to time, upon the written request of the Lessee, the Lessor will, to the extent of its corporate powers and subject to any necessary governmental approval, execute any and all agreements and do any and all acts approved by the board of directors

of the Lessor upon the written request of the Lessee which may be necessary or desirable to effect any such renewal or extension. All shares of stock, bonds and other obligations and evidences of indebtedness which may at any time be issued by the Lessor as provided in this Section, and the proceeds of all such shares of stock, bonds and other obligations and evidences of indebtedness, shall be devoted solely to the purposes in this Section stated. All shares of stock, bonds, obligations and other evidences of indebtedness which may be issued by the Lessor, as provided in this Section, shall be accepted by the Lessee at the par or face value thereof, or if the same shall have no par or face value, then at such value as may be agreed upon between the Lessor and the Lessee, and all discounts, costs and expenses in connection with the issue and sale of any such shares of stock, bonds or other obligations or evidences of indebtedness, shall be borne by the Lessee without any charge to the Lessor for any part of such discounts, costs or expenses.

SECTION 5. Any saving, benefit or advantage resulting from any refunding, retirement or rearrangement of the securities, obligations or undertakings of the Lessor, or otherwise, during the continuance of this lease, shall inure to the benefit of the Lessee, during such continuance of this lease, without obligation on the part of the Lessee to pay to the Lessor any additional sum, by way of rental or otherwise, on account thereof.

SECTION 6. Subject to and upon compliance with the terms and conditions of any mortgage or other similar contract which provides for or permits such substitution or joinder, the Lessor, at any time during the continuance of this lease, upon the written request of the Lessee, will, to the extent of the corporate powers of the Lessor, join in, assist and procure the substitution or joinder of the Lessee for or with the Lessor under and as a party to said mortgage or contract, with all the rights, privileges and powers which can be accorded to and conferred upon the Lessee thereunder, *subject, however,* to all of the terms, conditions and limitations therein prescribed, and *subject further* to the provision that no bonds or other obligations or evidences of indebtedness shall be issued which would be a lien upon any of the leased properties without the approval of the board of directors of the Lessor.

SECTION 7. The Lessor will not, during the continuance of this lease, without the written request or consent of the Lessee, issue, except in exchange for or in lieu of or upon the transfer of outstanding certificates

or securities, any share of capital stock or any bond or other evidence of interest in or indebtedness of the Lessor, or assume any obligation as lessor, lessee, guarantor, indorser, surety or otherwise in respect of the securities of any other person, natural or artificial, or incur any debt or liability whatever, or voluntarily subject or permit the subjection of the leased properties or any part thereof to any lien, charge, trust or demand of any character.

ARTICLE FIVE

CONSOLIDATION, ETC., OF LESSOR AND LESSEE

It is hereby mutually covenanted and agreed that, when and if authorized by the Interstate Commerce Commission or other proper governmental agency, or otherwise authorized or permitted by law, the leased properties and the properties of the Lessee and of the third party shall be consolidated into one corporation for the ownership, management and operation thereof upon such terms and conditions and in such manner, either by consolidation, merger, conveyance, or other means of unification, as may be agreed upon between the parties hereto, and that thereupon this lease shall be terminated; and in such event the parties hereto severally covenant and agree promptly to execute or to cause to be executed each and every instrument, and to do or to cause to be done each and every act and thing, necessary or advisable in order to effect such consolidation, merger, conveyance or other unification, when so authorized and agreed upon.

ARTICLE SIX

REMEDIES IN CASE OF DEFAULT

In case the Lessee shall, at any time during the continuance of this lease, fail or omit duly and punctually

(1) to make any payment in Section 3 of Article Two of this lease agreed to be made by it as and when such payment shall become due and payable and such default shall continue for a period of ten (10) days; or

(2) to make any other payment in this lease agreed to be made by it as and when such payment shall become due and payable, and such default shall continue for a period of sixty (60) days after service upon the Lessee of a written notice specifying such default and requiring the Lessee to remedy the same; or

(3) to observe, abide by, keep or perform any other of the covenants, agreements, conditions and/or obligations of this lease to be observed, abided by, kept or performed by it, and any such default shall continue for a period of sixty (60) days after service upon the Lessee of a written notice specifying such default and requiring the Lessee to remedy the same;

then and in any such case the Lessor may either

(*a*) proceed by proper action or actions in the proper court or courts, either at law or in equity, to recover the amount of the payment in respect of which default shall have been made, together with interest thereon, or to enforce the performance of any or all such covenants, agreements, conditions or obligations by the Lessee, or to recover damages for the breach thereof; or

(*b*) by notice in writing terminate this lease, and thereupon enter in and upon the leased properties and all and every part thereof and remove the Lessee and all other persons therefrom; and shall thenceforth hold, possess and enjoy the same free from any right of the Lessee or its successors or assigns to use the leased properties or any part thereof for any purpose whatsoever; and thereupon any and all right, title and interest of the Lessee in and to the leased properties and in and to the possession and use thereof shall absolutely cease and determine as though this lease had never been made; but the Lessor nevertheless shall have the right to recover from the Lessee any and all amounts which may then be due and payable by the Lessee under this lease, together with interest thereon, as well as any damages in addition thereto which the Lessor may have sustained by reason of the breach of the provisions hereof, subject to the right of the Lessee to reimbursement, to the extent and in the manner provided in this lease, for any amounts chargeable by the Lessee to the Lessor in accordance with the terms and provisions hereof.

Anything to the contrary in this lease notwithstanding, if in any mortgage, deed of trust, indenture or other agreement constituting a lien upon or otherwise affecting any of the leased properties it shall be provided that no lease of the properties subject to or affected by any such mortgage, deed of trust, indenture or other agreement shall be made unless the lease, as to such properties, shall

be subject to termination by the trustee of such mortgage, deed of trust, indenture or other agreement, in case of the happening of an event of default thereunder, or by the purchaser at any sale of the mortgaged premises made in enforcement of such mortgage, deed of trust, indenture or other agreement, this lease is hereby made subject to termination by such trustee or such purchaser as to the premises upon which such mortgage, deed of trust, indenture or other agreement constitutes a lien, but only as to such premises; *provided, however,* that an event of default under any such mortgage, deed of trust, indenture or other agreement shall not operate *ipso facto* to effect such termination but that such termination shall be effected only by the affirmative action of such trustee or of such purchaser in accordance with the terms, conditions and provisions of such mortgage, deed of trust, in denture or other agreement; and *provided further* that the Lessee shall be subrogated and succeed to all rights of the Lessor to make good and to remedy such event of default and its consequences.

ARTICLE SEVEN

Accounting

Section 1. (A) A complete inventory of the materials and supplies and shop machinery and tools leased shall be taken jointly by the Lessor and the Lessee as of the effective date of this lease.

(B) Within sixty (60) days after the effective date of this lease, the Lessor shall prepare and deliver, or cause to be prepared and delivered, to the Lessee trial balance sheets in duplicate, duly authenticated by the chief accounting officer of the Lessor, drawn from the books of the Lessor as of the effective date of this lease, and all of the accounts embraced within said trial balance sheets, except capital stock accounts, shall be taken over into the books of the Lessee, but the Lessee for these and all other of its purposes may treat as its books and as its organization the books of account and the accounting records and memoranda and organization of the Lessor for such time as to the Lessee shall seem advisable.

(C) As soon as practicable after the effective date of this lease, the Lessor shall prepare and deliver to the Lessee written schedules, in duplicate, duly authenticated by the chief accounting officer of the Lessor, which shall

show as of the effective date of this lease, in detail, the leased properties, setting forth separately properties owned by the Lessor and properties not so owned, but held, operated, controlled or used by the Lessor under lease, by stock control or otherwise, together with the respective mortgages, pledges and other liens thereon; and the capitalization, liabilities, reserves and balances affecting the same, all according to the following classifications, setting forth separately securities, liabilities, reserves and balances issued or assumed by the Lessor and by corporations or individuals, the properties of which are held, operated, controlled or used by the Lessor under leases, by stock control or otherwise:

(1) Railroad and telegraph lines and branches, showing their general condition if finished, and to what extent completed if unfinished, with their respective locations, termini, mileages and other facts necessary completely to identify the properties. This schedule shall be accompanied by a suitable map or maps and profiles.

(2) Lands (including lands under water, water rights and rights of reclamation) classified by valuation sections, zones and parcels as provided by the Interstate Commerce Commission, in connection with the federal valuation of railroads. This schedule shall be accompanied by a suitable map or maps.

(3) Wharves, docks, piers, warehouses, station buildings and other structures and properties used in or held for the service of transportation by water, and/or in connection therewith. This schedule shall show the general physical condition of each unit of property.

(4) Rolling stock and other railroad equipment and the general condition and the value thereof, determined according to the rules of the American Railway Association so far as such rules are applicable.

(5) Floating equipment, if any, showing each boat in detail, and the general condition and value of same.

(6) Improvements on leased railway property, including the Lessor's investment in additions and betterments made by it to railway property held under long-term lease, or through control of the corporation owning the property. This schedule shall be classified by primary accounts in accordance with the rules of the Interstate Commerce Commission.

(7) Sinking funds including cash, securities and other assets held for the purpose of redeeming outstanding obligations.

(8) Deposits in lieu of mortgaged property sold.

(9) Physical properties, other than the transportation properties embraced in the schedules referred to in clauses (1) to (6) of this part (C) of this Section.

(10) Stocks, bonds, notes and other securities issued or assumed by companies affiliated with the Lessor and held or owned by or for the Lessor and all advances made by the Lessor to such companies.

(11) Stocks, bonds, notes and other securities issued or assumed by companies not affiliated with the Lessor, or by individuals, and held or owned by or for the Lessor, and all advances made by the Lessor to such companies and to individuals, and all other investments not provided for elsewhere in this Section.

(12) Current assets, deferred assets and unadjusted debits classified according to the classification of general balance sheet accounts prescribed by the Interstate Commerce Commission.

(13) Stock, governmental grants and long term debt classified according to the classification of general balance sheet accounts prescribed by the Interstate Commerce Commission.

(14) Current liabilities, deferred liabilities, unadjusted credits and corporate surplus classified according to the classification of general balance sheet accounts prescribed by the Interstate Commerce Commission.

The book values and amounts for all items, for which such values and amounts are recorded, shall be stated in the schedules thereof, and, unless otherwise stated in such schedules, such values and amounts shall, for the purpose of final accounting, be *prima facie* deemed to be the correct values or amounts for said items. Where said schedules show any values other than book values, the values so shown shall be *prima facie* deemed to be the correct values unless specific written objection thereto is made

by the Lessee within six months after delivery of said schedules, *provided, however,* that the value of rolling stock and other railroad equipment shall for such purposes be determined as of the effective date of this lease, according to the rules of the American Railway Association so far as such rules are applicable.

SECTION 2. During the continuance of this lease, (*a*) all revenues, income, expenses, taxes and other charges against income shall be treated as the business of the Lessee, but for the purpose of final accounting under this lease the same shall be allocated with reference to the time when accrued or incurred, as between the period of the continuance of this lease and the period prior thereto, and the Lessee shall make such entries and maintain and keep such records and accounts as may be necessary to effect such allocation; and (*b*) the accounting for retirements, replacements and depreciation, and for the cost of additions and betterments, shall be in accordance with the rules of the Interstate Commerce Commission or other governmental authority, at the time in force.

SECTION 3. Upon the termination of this lease, otherwise than as provided in Article Five hereof, there shall be, in connection with the return of the leased physical properties and other capital assets shown in the schedules referred to in clauses (1) to (11) inclusive of part (C) of Section 1 of this Article, an accounting and settlement between the parties, as follows:

The Lessee shall as soon as practicable after the termination of the lease prepare and deliver to the Lessor written schedules in duplicate, corresponding as of the date of the termination of this lease to the schedules referred to in clauses (1) to (11) inclusive of part (C) of Section 1 of this Article.

The Lessee shall be debited and the Lessor credited with:

(*a*) The value of any of the capital assets listed in the schedules furnished by the Lessor in accordance with Section 1 of this Article, or any parts thereof, which have been sold, abandoned, retired, worn out, depreciated or otherwise disposed of by the Lessee, or which for any other reason are not returned to the Lessor by the Lessee.

(*b*) The cost of any additions, betterments, extensions, enlargements or increases of capital assets of any kind, or any parts thereof, which may have been

charged to the Lessor under this lease and which have been sold, abandoned, retired, worn out, depreciated, or otherwise disposed of by the Lessee, or which for any other reason are not turned over to the Lessor by the Lessee.

(*c*) All amounts received or realized by the Lessee out of the materials and supplies and other current and deferred and other assets listed in the schedules furnished by the Lessor in accordance with clause (12) of part (C) of Section 1 of this Article or arising or accruing from the operation, business or investment of the leased properties prior to the effective date of this lease, which are not included in said schedules.

(*d*) All amounts of taxes, operating expenses, hire of equipment, rents, traffic balances and other liens and charges upon the leased properties arising or accruing from their operation, business or investment during the continuance of this lease, which the Lessee shall have failed to pay or satisfy.

(*e*) All increases in the par or principal amounts of outstanding capital liabilities or stock of the Lessor or against the leased properties listed in the schedules furnished by the Lessor in accordance with Section 1 of this Article, made by or at the request of the Lessee for which the Lessor is not otherwise reimbursed or indemnified.

(*f*) All items and amounts not embraced in the foregoing clauses (*a*) to (*e*) inclusive, which the Lessee is required by the provisions of this lease to pay, perform or discharge without debit against or reimbursement by the Lessor, and which the Lessee has failed or may fail so to pay, perform or discharge.

The Lessor shall be debited and the Lessee credited with:

(*g*) The cost of any additions and betterments, extensions, enlargements or increases in capital assets listed in the schedules furnished by the Lessor in accordance with Section 1 of this Article made by the Lessee with the authorization or ratification of the board of directors of the Lessor (without deduction for any sales, abandonments, retirements or other amounts for which the Lessor may be credited as in clauses (*a*) and (*b*) hereinabove provided).

(*h*) All amounts paid by the Lessee for current and other liabilities listed in the schedules furnished

by the Lessor in accordance with Section 1 of this Article, or arising or accruing from or in respect of the operation, business or investment of the leased properties prior to the effective date of this lease which are not included in said schedules.

(*i*) All decreases in the par or principal amounts of outstanding liabilities of the Lessor, or against the leased properties listed in the schedules furnished by the Lessor in accordance with Section 1 of this Article.

(*j*) All amounts received or realized by the Lessor from any materials and supplies or other current assets which may be turned over by the Lessee to or collected by the Lessor of the nature of those listed in accordance with clause (12) of part (C) of Section 1 of this Article, or arising or accruing from or in connection with the operation, business or investment of the leased properties during the continuance of this lease.

(*k*) The balance of any working or other funds established by the Lessee with the Lessor, or for the Lessor's benefit, which the Lessor has failed or may fail to return.

(*l*) All items and amounts not embraced in the foregoing clauses (*g*) to (*k*) inclusive, which the Lessor is required by the provisions of this lease to pay, perform or reimburse to the Lessee, or to pay, perform and discharge without debit against the Lessee, and which the Lessor has failed or may fail so to pay, perform, reimburse or discharge.

Revenues, income, expenses, taxes and other charges against income shall be allocated in such accounting with reference to the time when accrued or incurred as between the period of the continuance of this lease and the periods prior and subsequent thereto. For the purpose of such accounting the same methods of accrual and valuation shall prevail at the termination of this lease as those which prevailed at the effective date of this lease. For the purpose of such final accounting, charges and credits in respect of additions and betterments, retirements, replacements and depreciation shall be made to capital accounts in accordance with the accounting rules of the Interstate Commerce Commission, or its successor in authority, in force at the time or times when the transactions were effected, except that the accounting for equipment shall be based upon the methods of valuation adopted as of the effective date of this lease.

The first balance upon the final accounting shall be struck within sixty (60) days after the termination of this lease and shall be paid by the party against which the net debit exists, with interest at the rate of six per centum (6%) per annum from the date when the balance is struck, to the other party, within thirty (30) days thereafter. Such payment shall be made in cash or, at the option of the debtor party, in bonds of the debtor party at par, bearing interest at the rate of six per centum (6%) per annum, and secured by the best lien, charge, pledge or guaranty which the debtor party is then able to give as security for the payment of such bonds, *provided, however,* that, if such balance shall be against the Lessee, the Lessee, up to the amount of such balance, shall, if required by the Lessor, pay to the Lessor in cash an amount equal to the net balance against the Lessee arising from the debits and credits in respect of current assets and liabilities referred to in clauses (*c*), (*h*) and (*j*) of this Section 3.

After the first balance has been struck, there shall be a similar accounting for each subsequent period of three months, with payment of balances in cash or in bonds as above provided, until the account has been finally closed.

SECTION 4. Neither party shall make any charge against the other for services in preparing, paying, collecting or settling the accounts above referred to, but all of the work in connection with such matters, during the continuance of this lease, shall be done by or at the expense of the Lessee without charge to the Lessor, and, subsequent to the termination of this lease, shall be done by or at the expense of the Lessor without charge to the Lessee.

The accounting hereinabove provided for shall not prevent or exclude any claim by either party against the other for damages for breach of any covenant of this lease.

ARTICLE EIGHT

ARBITRATION

In case of any disagreement between the parties hereto as to the true construction or meaning of any of the provisions of this lease, or as to the rights of either party hereunder, or as to the terms and provisions of any stocks, bonds, obligations or other evidences of indebtedness which may be issuable to the Lessee, as provided in Article Four of this lease, or of any mortgages,

deeds of trust or other instruments to secure the payment of any such bonds, obligations or other securities, or any claim of either party arising hereunder, which the parties fail to adjust between themselves, such matter or matters of disagreement shall be submitted for arbitration to a tribunal consisting of three disinterested persons, constituted as hereinafter provided.

In case of any such disagreement, the Lessor shall appoint one arbitrator and the Lessee shall appoint one arbitrator, and the two thus appointed shall appoint a third. In case either party shall refuse or fail to appoint an arbitrator within thirty (30) days after receiving written notice from the other party of the matter which it desires to submit to arbitration, and of its appointment of an arbitrator, such party so asking for an arbitration may also appoint the second arbitrator, and the two persons so appointed shall appoint the third arbitrator. In the event of the failure of the two arbitrators first appointed to appoint the third within ten (10) days after the appointment of the second arbitrator and his acceptance of such appointment, either party hereto may apply to a Judge of the United States District Court for the Southern District of Ohio, upon fifteen (15) days' written notice to the other party, for such appointment of the third arbitrator.

The tribunal so constituted shall give ten (10) days' written notice of the time and place of hearing to the parties, and shall proceed without delay to hear the proofs and allegations of such parties, or of such party as may appear before such tribunal, and shall determine the questions and matters submitted to it for arbitration, and make its decision and award in writing. In case either party refuses or fails, upon said written notice given by such arbitrators, to produce its proofs, or present its case before them, the arbitrators may determine such questions and matters so submitted to them upon proofs presented by the other party and such proofs as they may procure.

The decision and award of the majority of the arbitrators, when made in writing and signed by them, shall in every case be final and conclusive and obligatory upon the parties hereto; and each party hereto agrees to abide by and comply with every such decision and award.

The determination and award of such arbitrators, or a *bona fide* effort to obtain it, shall be a condition precedent to any right of action with respect to any matter hereby agreed to be submitted to arbitration, and no

right of action, either at law or in equity, shall, with respect to any such matter, exist or be invoked by either party hereto until after the same shall have been submitted to arbitration as herein provided (and then only to enforce the decision and award of such arbitration) or until after a *bona fide* attempt to obtain such arbitration shall have been made by the party so resorting to litigation and such attempt shall have failed otherwise than through the fault of such party.

ARTICLE NINE

Miscellaneous Provisions

Section 1. The covenants and agreements herein contained are made subject to existing and future law and to the exercise of power thereunder by public authority, whether by way of authorization, prohibition or otherwise.

Section 2. The Lessor and the Lessee may, by agreement authorized or approved by their respective boards of directors, at any time and from time to time during the continuance of this lease, make any such alteration or modification of the terms, conditions and provisions of this lease, or of any of them, not inconsistent with the general intent and purpose of this lease, as such boards may deem expedient, but no such alteration or modification shall reduce the amount of rental payable hereunder.

Section 3. Whenever, in this lease, provision is made for any consent or approval by the board of directors of the Lessor, it is understood and agreed that such consent or approval may be given or withheld by said board of directors in its discretion, except as provided in Article Eight of this lease, and that nothing contained in this lease, except Article Eight of this lease, is intended or shall be construed to limit or affect any discretion which said board of directors would otherwise possess, and neither said board of directors of the Lessor nor any member of said board shall be liable or responsible for any exercise of discretion or judgment; and no director, officer or stockholder, either of the Lessee or of the Lessor, shall be held to any individual or personal liability for any matter or thing under or in connection with this lease or any instrument made in pursuance hereof by either party hereto.

SECTION 4. Except as in this lease specifically provided in Sections 1 and 2 of Article Two of this lease, no rights of any character whatever shall for any purpose accrue to or be deemed to be conferred upon any person, firm or corporation under this lease other than the Lessor and the Lessee and their respective successors and assigns; nor shall any provisions of this lease be deemed an assumption of obligation or liability within the meaning of Section 20 (*a*) of the Interstate Commerce Act.

SECTION 5. This lease is to take effect and be in force as of midnight, , 1925, which date is sometimes referred to in this lease as "the effective date of this lease". Thereafter the Lessee may operate the leased properties either in its own name or in the name of the Lessor, or may provide for such operation by another.

SECTION 6. Any notice to be given by the Lessor to the Lessee or by the Lessee to the Lessor under this lease shall be deemed sufficiently given if in writing and mailed in a postpaid, sealed wrapper to such address as shall have been last given in writing by the other party for such purpose.

SECTION 7. This lease is assignable, and it is mutually covenanted and agreed that all of the provisions herein contained shall be binding upon the respective successors and assigns of each of the parties hereto; *provided, however,* that no assignment of this lease (except to the third party in compliance with Section 8 of this Article) shall be made by the Lessee without the consent of the board of directors of the Lessor unless the Lessee shall guarantee to the Lessor the performance by the assignee of all obligations imposed upon the assignee under this Lease. The words "the Lessor" and "the Lessee", wherever used in the granting clauses and Articles of this lease, include the respective successors and assigns of the Lessor and the Lessee.

SECTION 8. The third party hereby assumes and guarantees each and every covenant, obligation and undertaking of the Lessee hereunder and the due and punctual performance thereof. The Lessee in consideration of such assumption and guaranty by the third party and the acceptance of such guaranty by the Lessor, together with the Lessor's waiver hereinafter in this Section contained, covenants and agrees that, subject to the provisions and

requirements of the Lessee's First Lien and Improvement Mortgage, the Lessee will assign this lease and all of its estate, right, title and interest in and to the leased properties hereunder to the third party by a due and sufficient instrument in writing. The Lessor hereby accepts such guaranty by the third party and, in consideration thereof, consents to such assignment by the Lessee to the third party and, from and after the execution and delivery of such assignment (the form of which shall be approved by counsel for the Lessor), hereby releases the Lessee from each and all of its covenants, obligations and undertakings hereunder and from the performance thereof.

IN WITNESS WHEREOF, the parties hereto have caused this indenture to be executed by their respective presidents or vice-presidents and attested under their respective corporate seals by their respective secretaries or assistant secretaries.

THE HOCKING VALLEY RAILWAY COMPANY

By.....
President

Attest:

.....
Secretary

THE CHESAPEAKE AND OHIO RAILWAY COMPANY

By.....
President

Attest:

.....
Secretary

THE NEW YORK, CHICAGO AND ST. LOUIS RAILWAY COMPANY

By.....
President

Attest:

.....
Secretary

In the Presence of:

As to The Hocking Valley Railway Company

.....

.....

.....

As to The Chesapeake and Ohio Railway Company

.....

.....

.....

As to The New York, Chicago and St. Louis Railway Company

.....

.....

.....

STATE OF
County of } ss.:

I, , a Notary Public of the State of within and for the County of duly appointed and qualified, residing in said County, do hereby certify that and known to me personally and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, and personally known to me to be the and the , respectively, of The Hocking Valley Railway Company, the party named in the foregoing indenture, appeared before me this day at , in person and acknowledged that they executed, signed, sealed and delivered the said instrument as their free and voluntary act as such and , respectively, and as the free and voluntary act of said The Hocking Valley Railway Company, for the uses and purposes therein set forth.

And the said and being by me severally duly sworn, did each for himself depose and say, that he, the said resides in the , and is the of said The Hocking Valley Railway Company, and that he the said resides in the , and is the of said The Hocking Valley Railway Company; that they know the corporate seal of said The Hocking Valley Railway Company; that the seal affixed to the foregoing instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said The Hocking Valley Railway Company, and that they signed their names thereto by like authority.

Given under my hand and notarial seal this day of , 1925. My commission expires

[L. S.]

Notary Public,

STATE OF
County of } ss.:

I, , a Notary Public of the State of within and for the County of duly appointed and qualified, residing in said County, do hereby certify that and known to me personally and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, and personally known to me to be the and the , respectively of The Chesapeake and Ohio Railway Company, the party named in the foregoing indenture, appeared before me this day at , in person and acknowledged that they executed, signed, sealed and delivered the said instrument as their free and voluntary act as such and , respectively, and as the free and voluntary act of said The Chesapeake and Ohio Railway Company, for the uses and purposes therein set forth.

And the said and being by me severally duly sworn, did each for himself depose and say, that he, the said resides in the , and is the of said The Chesapeake and Ohio Railway Company, and that he the said resides in the , and is the of said The Chesapeake and Ohio Railway Company; that they know the corporate seal of said The Chesapeake and Ohio Railway Company; that the seal affixed to the foregoing instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said The Chesapeake and Ohio Railway Company, and that they signed their names thereto by like authority.

Given under my hand and notarial seal this day of , 1925. My commission expires

[L. S.]

Notary Public,

STATE OF
County of } ss.:

I, , a Notary Public of the State of within and for the County of duly appointed and qualified, residing in said County, do hereby certify that and known to me personally and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, and personally known to me to be the and the , respectively, of The New York, Chicago and St. Louis Railway Company, the party named in the foregoing indenture, appeared before me this day at , in person and acknowledged that they executed, signed, sealed and delivered the said instrument as their free and voluntary act as such and , respectively, and as the free and voluntary act of said The New York, Chicago and St. Louis Railway Company, for the uses and purposes therein set forth.

And the said and being by me severally duly sworn, did each for himself depose and say, that he, the said resides in the , and is the of said The New York, Chicago and St. Louis Railway Company, and that he the said resides in the , and is the of said The New York, Chicago and St. Louis Railway Company; that they know the corporate seal of said The New York, Chicago and St. Louis Railway Company; that the seal affixed to the foregoing instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said The New York, Chicago and St. Louis Railway Company, and that they signed their names thereto by like authority.

Given under my hand and notarial seal this day of , 1925. My commission expires

[L. S.]

Notary Public.

Exhibit No. 22.

PROPOSED FORM OF LEASE FOR ERIE.

"A"

Indenture, dated the ..... day of ....., 1925, by and between ERIE RAILROAD COMPANY, a corporation of the State of New York, hereinafter called "the Lessor", party of the first part, and THE NEW YORK, CHICAGO AND ST. LOUIS RAILWAY COMPANY, a corporation of the State of Ohio, hereinafter called "the Lessee", party of the second part;

WHEREAS, the Lessor owns, controls and operates certain lines of railway and other property with the appurtenances thereof, in the State of New York and other states; and

WHEREAS, the Lessee desires to lease all lines of railway and all other property and appurtenances of the Lessor, together with the rents, issues and profits thereof, and the Lessor is willing to lease the same unto the Lessee upon the terms and conditions set forth in this indenture; and

WHEREAS, the Lessor and the Lessee respectively acknowledge that all acts and things required by law to make this indenture a valid, binding and enforceable indenture of lease in accordance with the terms and conditions hereof have been done and performed by the Lessor and by the Lessee respectively and have happened;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That in consideration of the mutual covenants and agreements herein contained and of other valuable considerations, the receipt of which by each of the parties to this indenture from the other is hereby acknowledged, the parties hereto respectively act, covenant and agree as herein stated.

The Lessor, subject to all of the terms and conditions herein set forth, has let, demised, leased and assigned, and does hereby let, demise, lease and assign, unto the Lessee, its successors and assigns, for the term hereinafter stated:

All and singular the right, title and interest of the Lessor in and to the following railroads and other property, real, personal and mixed, together with any and all other property owned by the Lessor or in which it has any interest, legal or equitable, whether or not hereinafter specifically described, all of which are hereinafter

sometimes referred to collectively as "the leased properties", viz:

FIRST: All and singular the following described railroads and other property, and all other railroads at the effective date of this lease owned by the Lessor, and all the right, title and interest of the Lessor in and to any other railroads in or to which at said date the Lessor has any right, title or interest:

I

The following railroads owned in fee and operated by the Lessor:

1. A railroad formerly owned by The New York and Erie Railroad Company and extending from Piermont, on the Hudson River, in Rockland County, State of New York, successively through the counties of Rockland and Orange, State of New York, Pike, State of Pennsylvania, Sullivan, Delaware and Broome, State of New York, Susquehanna, State of Pennsylvania, and Broome, Tioga, Chemung, Steuben, Allegany, Cattaraugus and Chautauqua, State of New York, and via Sparkill, Nanuet, Spring Valley, Suffern, Newburgh Junction, Greycourt, Goshen, Middletown and Graham, in the State of New York, Lackawaxen and Lanesboro, in the State of Pennsylvania, and Southport Junction, Corning, Painted Post, Hornell, Cuba Junction, Carrollton, Salamanca and Dayton, in the State of New York, to Dunkirk, on Lake Erie, in Chautauqua County, State of New York (the part thereof from Piermont to Suffern, a distance of about 18.00 miles now being operated as the Piermont Branch, the part thereof from Suffern to Salamanca, a distance of about 382.35 miles, now being operated as part of the main line, and the part thereof from Salamanca to Dunkirk, a distance of about 46.43 miles, now being operated as the Dunkirk Branch of the Lessor) a distance of approximately ..... 446.78 miles.

2. A railroad formerly owned by The New York and Erie Railroad Company and now known as the Newburgh Branch of the Lessor and extending from said Greycourt (on the railroad described in the foregoing paragraph 1), via Vails Gate Junction, to Newburgh, all in Orange County, State of New York, a distance of approximately ..... 18.73 miles.

3. A railroad formerly owned by Newburgh and New York Railway Company and now known as the Newburgh Short Cut of the Lessor and extending from said Newburgh Junction (on the railroad described in the foregoing paragraph 1), via Highland Mills, to said Vails Gate Junction (on the railroad described in the foregoing paragraph 2), all in Orange County, State of New York, a distance of approximately ..... 12.64 miles.

4. A railroad formerly owned by Erie and Jersey Railroad Company and now known as the Graham Line of the Lessor and extending from said Highland Mills (on the railroad described in the foregoing paragraph 3) to said Graham (on the railroad described in the foregoing paragraph 1), all in Orange County, State of New York, a distance of approximately ..... 38.60 miles.

5. A railroad formerly owned by Buffalo, New York and Erie Railroad Company and now forming part of the Rochester Division of the Lessor and the Attica Branch thereof and extending from said Painted Post (on the railroad described in the foregoing paragraph 1), in Steuben County, successively through the counties of Steuben, Livingston, Genesee and Wyoming, and via Bath, Conesus Lake Junction and Avon, to Attica, in Wyoming County, all in the State of New York, a distance of approximately ..... 109.01 miles.

6. A railroad formerly owned by Buffalo, New York and Erie Railroad Company and forming part of what is now known as the Buffalo Division of the Lessor and extending from said Attica (a terminus of the railroad described in the foregoing paragraph 5), in Wyoming County, successively through the counties of Wyoming, Genesee, and Erie, and via East Buffalo, to Buffalo, in Erie County, all in the State of New York, a distance of approximately ..... 31.30 miles.

7. A railroad formerly owned by The Buffalo Branch of the Erie Railway Company and forming part of what is now known as the Buffalo Division of the Lessor and extending from said Hornell (on the railroad described in the foregoing paragraph 1), in Steuben County, successively through the counties of Steuben, Allegany, Livingston, Wyoming, Genesee and Wyoming, and via River Junction, to said Attica (on the railroads described in the foregoing paragraphs 5 and 6), in Wyoming County, all in the State of New York, a distance of approximately ..... 60.86 miles.

8. A railroad formerly owned by Genesee River Rail-

road Company and now known as the River Line of the Lessor and extending from said River Junction (on the railroad described in the foregoing paragraph 7), in Livingston County, through the counties of Livingston and Allegany, to said Cuba Junction (on the railroad described in the foregoing paragraph 1), in Allegany County, all in the State of New York, a distance of approximately ..... 32.60 miles.

9. A railroad formerly owned by The Buffalo and South Western Rail Road Company and now known as the Buffalo and Southwestern Branch of the Lessor and extending from a connection with Buffalo Creek Railroad at Buffalo Creek Junction, in Erie County, through the counties of Erie, Cattaraugus and Chautauqua, and via said Dayton (on the railroad described in the foregoing paragraph 1), in Cattaraugus County, to Jamestown, in Chautauqua County, all in the State of New York, a distance of approximately ..... 66.36 miles.

10. A railroad formerly owned by The Suspension Bridge and Erie Junction Railroad Company and now known as the Niagara Falls Branch of the Lessor and extending from said East Buffalo (on the railroad described in the foregoing paragraph 6), in Erie County, through the Counties of Erie and Niagara, and via International Junction and North Tonawanda, to Suspension Bridge, in Niagara County, all in the State of New York, a distance of approximately ..... 24.01 miles.

11. A railroad formerly owned by Erie International Railway Company and now known as the International Branch of the Lessor and extending from said International Junction (on the railroad described in the foregoing paragraph 10), and via Black Rock Junction, to International Bridge, all in Erie County, State of New York, a distance of approximately ..... 4.50 miles.

12. The part operated by the Lessor of the railroad formerly owned by The Lockport and Buffalo Railway Company and now known as the Lockport Branch of the Lessor, said part connecting at said North Tonawanda with the railroad described in the foregoing paragraph 10 and being situated entirely in Niagara County, State of New York; the remainder of said railroad being leased to and operated by International Railway Company as hereinafter stated.

II

All appurtenances of every of the railroads of the Lessor, whether such appurtenances are at the effective date of this lease owned by the Lessor or may thereafter be acquired by it, to wit:

All telegraph and telephone lines, including all poles, wires and instruments, all rights of way, station and depot grounds, all tunnels, roadbeds, spurs, double tracks, turnouts, switches, sidings and turntables, all superstructures, bridges, stringers, ties, rails, frogs, chairs, bolts, splices, signals and signal apparatus and other railroad appurtenances, all terminals and terminal properties, all station houses, warehouses, freight houses, engine houses, car houses, tower houses, yard buildings, water stations, water tanks, water supply, fuel stations, fuel tanks, fuel supply, machine shops and other structures, all engines, tenders, cars and other rolling stock and equipment (including floating equipment), all furniture, machinery, tools, implements, materials and supplies, and all other property, real, personal and mixed, appurtenant to any of said railroads and branches, and also all the estate, right, title, interest, property, possession, claim and demand whatsoever, as well in law as in equity, of the Lessor of, in and to said railroads, premises and property, and every part and parcel thereof, with the appurtenances.

SECOND: All terminals and terminal properties, yards, depots, roundhouses, turntables, stock yards, side and spur tracks, at the effective date of this lease owned by the Lessor or at any time thereafter acquired by it, and all structures, tracks and improvements, fixtures and appurtenances at the effective date of this lease or at any time thereafter constructed on any thereof and pertaining or to appertain to any thereof.

THIRD: Any and all additions, improvements and betterments at the effective date of this lease owned or thereafter acquired or constructed to or upon or in connection with any and all railroads, extensions, branches, terminal properties, telegraph and telephone lines and lines of water transportation at the effective date of this lease or at any time thereafter acquired and owned by the Lessor; any and all property, real or personal, of every kind and description, at the effective date of this lease owned or at any time thereafter acquired for use upon, or in connection with, or for the purposes of any of such railroads, extensions, branches, terminal properties, telegraph and telephone lines, and lines of water transportation.

FOURTH: All leases and all trackage, traffic and operating contracts and other rights and all renewals and extensions thereof which at the effective date of this lease are owned by the Lessor or used and enjoyed by it in the operation of its properties or which at any time hereafter may be acquired or owned by it, including the following:

1. The leasehold interest in the railroad and other properties of Union Railroad Company, a New York corporation, under an indenture between said corporation and The New York and Erie Railroad Company made September 10, 1852, the term thereof being for the legal existence of said corporation, and said railroad extending from the New Jersey-New York state line to Suffern, all in Rockland County, State of New York, a distance of approximately .85 mile.

2. The leasehold interest in the railroad and other properties of The President and Directors of the Paterson and Hudson River Railroad Company, a New Jersey corporation, under an indenture between said corporation and Union Railroad Company (named in paragraph 1 hereof) made September 9, 1852, and an assignment thereof by said Union Railroad Company to The New York and Erie Railroad Company (made in the indenture referred to in paragraph 1 hereof), the term thereof being for the legal existence of said first named corporation, and said railroad extending from a connection with Pennsylvania Railroad at Marion Junction, Jersey City, to Market Street, Paterson, all in Hudson, Bergen and Passaic Counties, State of New Jersey, a distance of approximately 13.07 miles.

3. The leasehold interest in the railroad and other properties of The Paterson and Ramapo Railroad Company, a New Jersey corporation, under an indenture between said corporation and Union Railroad Company (named in paragraph 1 hereof) made September 9, 1852, and an assignment thereof by said Union Railroad Company to The New York and Erie Railroad Company (made in the indenture referred to in paragraph 1 hereof), the term thereof being for the legal existence of said first named corporation, and said railroad extending from Straight Street, Paterson, to the New Jersey-New York state line, all in Passaic and Bergen Counties, State of New Jersey, a distance of approximately 14.76 miles.

4. The leasehold interest in the railroad, docks, wharves, piers, lands and other properties of The Long Dock Company, a New Jersey corporation, under an indenture between said corporation and The New York and Erie Railroad Company made July 1, 1856, as supplemented by a contract between the same parties made April 1, 1857, and by a contract and indenture between The Long Dock Company, The New York, Lake Erie and Western Railroad Company and Anthony J. Thomas and Charles Edward Tracy, as Trustees, made November 16, 1885, said leasehold interest being subject to the provisions of the mortgage of The Long Dock Company to said Thomas and Tracy, as Trustees, made November 16, 1885, and terminating December 1, 1935, and said railroad extending from the Hudson River water front at Jersey City to a connection with the railroad described in the foregoing paragraph 2 of this clause Fourth, all in Hudson County, State of New Jersey, a distance of approximately 2.56 miles.

5. The leasehold interest in the railroads and other properties of The Buffalo, Bradford and Pittsburgh Railroad Company, a New York corporation, under an indenture between said corporation and Erie Railway Company made January 5, 1866, the term thereof being 499 years from January 1, 1866, and said railroads extending from Carrollton, Cattaraugus County, State of New York, via Bradford and Crawford Junction, to Alton, State of Pennsylvania, a distance of approximately 26.17 miles, and from said Bradford to Nusbaum, both in the State of Pennsylvania, a distance of approximately 5.24 miles.

6. The leasehold interest in the railroad and other properties of The Paterson, Newark and New York Railroad Company, a New Jersey corporation, under an agreement between The Paterson and Newark Railroad Company (predecessor of said corporation) and Erie Railway Company made September 8, 1868, the term thereof being for the existence of the charters of the parties, and said railroad extending from Newark to Paterson, all in Essex and Passaic Counties, State of New Jersey, a distance of approximately 11.33 miles.

7. The leasehold interest in the railroads and other properties of The Jefferson Railroad Company, a Pennsylvania corporation, under an indenture between said

corporation and Erie Railway Company made January 1, 1869, as supplemented by an indenture between the same parties made November 30, 1870, and an indenture between The Jefferson Railroad Company and The New York, Lake Erie and Western Railroad Company dated April 1, 1888, the terms thereof being for the existence of the charters of the parties, and said railroads extending from West Hawley to Honesdale, a distance of approximately 8.18 miles, and from Lanesboro to Carbondale, a distance of approximately 36.64 miles, all in the State of Pennsylvania.

8. The leasehold interest in the railroad and other properties of Rochester & Genesee Valley Railroad, a New York corporation, under an indenture between said corporation and Buffalo, New York and Erie Railroad Company and Erie Railway Company made July 1, 1871, the term thereof being for the existence of the charter of said first named corporation, and said railroad extending from Avon to Rochester, all in Livingston and Monroe Counties, State of New York, a distance of approximately 18.40 miles.

9. The leasehold interest in the railroad and other properties of The Montgomery and Erie Railway Company, a New York corporation, under an indenture between said corporation and Erie Railway Company made December 16, 1871, as modified by two agreements between said corporation and The New York, Lake Erie and Western Railroad Company dated April 12, 1881, and April 22, 1886, respectively, the term thereof being for the term of the charters of the parties to the two agreements last mentioned, and said railroad extending from Goshen to Montgomery, all in Orange County, State of New York, a distance of approximately 10.43 miles.

10. The leasehold interest in the railroad and other properties of Avon, Geneseo & Mount Morris Railroad Company, a New York corporation, under an agreement between said corporation and Erie Railway Company made December 27, 1871, as modified by an agreement between Avon, Geneseo & Mount Morris Railroad Company, John G. McCullough and Eben B. Thomas, as Receivers of The New York, Lake Erie and Western Railroad Company, and the Lessor made February 26, 1896, the term thereof being for the existence of the charter of said corporation, and said railroad extending from Avon, via Mount Morris, to a point approximately 2.35 miles

southerly of Mount Morris station of the Lessor, all in Livingston County, State of New York, that part from Avon to Mount Morris, a distance of approximately 15.35 miles, being operated by the Lessor and that part from Mount Morris station to the aforesaid point, a distance of approximately 2.35 miles, being sub-leased to and operated by The Dansville and Mount Morris Railroad Company, as hereinafter set forth.

11. The leasehold interest in the railroad and other properties of The Goshen and Deckertown Railway Company, a New York corporation, under an agreement between said corporation and Erie Railway Company made January 18, 1872, as modified by an agreement between said corporation and The New York, Lake Erie and Western Railroad Company made April 12, 1881, the term thereof being the term of the charter of said corporation, and said railroad extending from Goshen to Pine Island, all in Orange County, State of New York, a distance of approximately 11.64 miles.

12. The leasehold interest in the railroad and other properties of Newark and Hudson Railroad Company, a New Jersey corporation, under an agreement between said corporation and Erie Railway Company made January 30, 1872, the term thereof being the term of the charters of the parties, and said railroad extending from Croxton to Newark, all in Hudson and Essex Counties, State of New Jersey.

13. The leasehold interest in the railroad and other properties of The Bergen County Railroad Company, a New Jersey corporation, under an indenture between said corporation and The New York, Lake Erie and Western Railroad Company made February 23, 1881, as modified by an agreement between said corporation and the Lessor made April 1, 1911, the term thereof being for the term of the charter of said corporation, and said railroad extending from Rutherford Junction to Ridgewood Junction, all in Bergen County, State of New Jersey, a distance of approximately 9.82 miles.

14. The leasehold interest in the railroad and other properties of Middletown and Crawford Railroad Company, a New York corporation, under an agreement between said corporation and The New York Lake Erie and Western Railroad Company made January 30, 1882, the term thereof ending on January 30, 1981, and said railroad extending from a connection with New York, On-

tario and Western Railway at Crawford Junction to Pine Bush, all in Orange County, State of New York, a distance of approximately 10.22 miles.

15. The leasehold interest in the railroads and other properties of New York, Lake Erie and Western Coal and Railroad Company, a Pennsylvania corporation, under an indenture between said corporation and The New York, Lake Erie and Western Railroad Company made August 15, 1890, as modified by an agreement between said corporation and the Lessor made as of May 1, 1922, the term thereof ending on July 1, 1945, and said railroads extending from Crawford Junction to Johnsonburg, approximately 29.58 miles, from a connection with Pennsylvania Railroad at Brockwayville to Toby Mines, approximately 12.73 miles, and from Bundy Junction to Eureka Mines, approximately 1.42 miles, all in the State of Pennsylvania.

16. The leasehold interest in the railroads and other properties of The New York and Greenwood Lake Railway Company, a New Jersey corporation, under an indenture between said corporation and the Lessor made May 1, 1896, said leasehold interest terminating May 1, 2895, and being subject to the mortgage of said corporation to New York Security and Trust Company, as Trustee, made May 1, 1896, and said railroads including

(*a*) a line from Croxton to Sterling Forest, approximately 40.74 miles;

(*b*) a line from Ringwood Junction to Ringwood, approximately 2.79 miles;

(*c*) a line from Forest Hill to Main Street, Orange, approximately 4.16 miles;

(*d*) a line from Caldwell Junction to Caldwell (formerly known as Caldwell Railway) approximately 4.50 miles; and

(*e*) a line from Caldwell to Essex Fells (formerly known as Roseland Railway) approximately .95 mile;

all in Hudson, Essex, Passaic and Morris Counties, State of New Jersey.

17. The leasehold interest in the railroads and other properties owned and controlled by Northern Railroad

Company of New Jersey, a New Jersey corporation, under an agreement between said corporation and the Lessor and others made June 1, 1899, the term thereof being the corporate existence of said corporation, and said railroads including

(*a*) a line from Croxton, Hudson County, New Jersey, to Sparkill, Rockland County, New York, all in Hudson and Bergen Counties, New Jersey, and Rockland County, New York, approximately 21.54 miles; and

(*b*) a line from Sparkill to Nyack (owned by Nyack and Southern Railroad Company) all in Rockland County, New York, approximately 4.51 miles.

18. The leasehold interest in the railroads and other properties of The Nypano Railroad Company, a corporation of Ohio and Pennsylvania, under an indenture between said corporation and the Lessor made March 17, 1896, the term hereof being 99 years from April 1, 1896, and said railroads including

(*a*) a line from Salamanca, New York, to Dayton, Ohio, in Cattaraugus and Chautauqua Counties, State of New York, and the States of Pennsylvania and Ohio, approximately 388.44 miles;

(*b*) a line from Niobe Junction to the New York-Pennsylvania state line, all in Chautauqua County, State of New York, approximately 1.57 miles; and

(*c*) a line from Buchanan Junction to Oil City, all in the State of Pennsylvania, approximately 33.78 miles.

19. The leasehold interest in the railroads and other properties of The Sharon Railway, a Pennsylvania corporation, under an indenture between said corporation and The Nypano Railroad Company (mentioned in paragraph 18 hereof) made January 14, 1901, and an assignment thereof to the Lessor under an indenture between said The Nypano Railroad Company and the Lessor made on the same date, the term thereof being 900 years from December 1, 1900, and said railroads including

(*a*) a line from Pymatuning Junction through Ferrona Junction to Mill Street, Sharon, and from Ferrona Junction to Newcastle, in all approximately 31.20 miles; and

(*b*) a line from Boyce to Sharpsville, approximately 1.55 miles;

all in the State of Pennsylvania.

20. The leasehold interest in the railroads and other properties of The Cleveland and Mahoning Valley Railway Company, an Ohio corporation, under an indenture between said corporation and The Nypano Railroad Company (mentioned in paragraph 18 hereof) made March 9, 1917, and an assignment of part of the term thereof to the Lessor under an agreement between said The Nypano Railroad Company and the Lessor made on the same date, the term of said assignment ending April 1, 1995, and said railroads including

(*a*) a line from Cleveland to a connection with the Westerman Coal and Iron Railroad, hereinafter mentioned, near the Ohio-Pennsylvania state line, approximately 79.21 miles;

(*b*) a line from Niles to Lisbon, approximately 35.77 miles;

(*c*) a line from Girard to Youngstown, known as the Canal Branch, approximately 6.00 miles; and

(*d*) a line from Youngstown to Hazelton, approximately 1.62 miles;

all in the State of Ohio.

21. The leasehold interest in the railroad and other properties of The Youngstown and Austintown Railway Company, an Ohio corporation, under an indenture between said corporation and The New York, Pennsylvania and Ohio Railroad Company (predecessor of The Nypano Railroad Company, mentioned in paragraph 18 hereof) made April 25, 1883, and an assignment thereof to the Lessor under an indenture between said The Nypano Railroad Company and the Lessor made March 17, 1896, the term thereof ending May 1, 1982, and said railroad extending from Youngstown to Leadville Mines, all in the State of Ohio, a distance of approximately 5.96 miles.

22. The leasehold interest in the railroad known as the Westerman Coal and Iron Railroad and certain lands appurtenant thereto under an indenture between Christian H. Buhl, the owner thereof, and The New York, Pennsylvania and Ohio Railroad Company (predecessor of The Nypano Railroad Company, mentioned in paragraph 18 hereof) made January 1, 1886, as modified by an agreement between the same parties made January 1, 1891, and an assignment thereof to the Lessor under

an indenture between said The Nypano Railroad Company and the Lessor made March 17, 1896, the term thereof ending May 1, 1982, and said railroad extending from Mill Street, Sharon, in the State of Pennsylvania, to a connection with the line of The Cleveland and Mahoning Valley Railway Company (mentioned in paragraph 20 hereof) at a point in the State of Ohio near the Pennsylvania-Ohio state line, a distance of approximately 2.09 miles.

23. The leasehold interest in the lands, lands under water, water rights, rights of reclamation, docks, wharves, piers, warehouses, railroad tracks, engines, cars, ferry boats, tugs, barges and other properties of New York, Lake Erie and Western Docks and Improvement Company, a New Jersey corporation, under an indenture between said corporation and The New York, Lake Erie and Western Railroad Company made February 8, 1890, as supplemented by an agreement between said corporation and the Lessor made June 2, 1913, the term thereof being for the existence of the charters of the parties, said properties being situated in Hudson County, State of New Jersey.

24. The leasehold interest in that part of the railroad of New-Jersey Junction Railroad Company, a New Jersey corporation, extending from the Lessor's yard at Weehawken to a connection with the tracks of The Docks Connecting Railway Company at Monmouth Street, in Jersey City, all in Hudson County, State of New Jersey, a distance of approximately 3.02 miles, under an agreement between said corporation and The New York, Lake Erie and Western Railroad Company made July 1, 1891, the term thereof being for and during the period of the charter of said New Jersey Junction Railroad Company.

25. The leasehold interest in that part of the railroad of The Cleveland and Pittsburgh Railroad Company, a corporation of Ohio and Pennsylvania, extending from Brady's Lake to Ravenna, in Portage County, State of Ohio, a distance of approximately 3.08 miles (the same being operated as second main track in connection with the line of The Nypano Railroad Company from Salamanca to Dayton referred to in paragraph 18 hereof) under an agreement between Pennsylvania Company, as lessee of said railroad, and the Lessor, as lessee of the railroads of said The Nypano Railroad Company, made July 1, 1911, the term thereof extending until July 1

1921, and thereafter until terminated by one year's notice from either party to the other.

26. The leasehold interest in certain tracks, buildings and other structures, lands, leases, easements, rights of way and other property now of the Jamestown, Westfield and Northwestern Railroad Company and situated in the City of Jamestown and the Town of Ellicott, Chautauqua County, State of New York, under an agreement between Sheldon B. Broadhead and Almet N. Broadhead and Margaret A. Broadhead, his wife, the former owners thereof, and the Lessor made November 25, 1913, as modified by an agreement between said Sheldon B. Broadhead and Almet N. Broadhead and the Lessor made November 26, 1913, the term thereof being for the twenty years ending November 25, 1933, with the right of the Lessor to extend the same for a further period of twenty years upon notice in writing to the lessors given at least two years prior to said November 25, 1933.

27. The leasehold interest of the Lessor in the railroads and other properties of The Buffalo Creek Railroad Company, a New York corporation, situated in the City of Buffalo, Erie County, State of New York, under an agreement between said corporation and Lehigh Valley Railroad Company and The New York, Lake Erie and Western Railroad Company, as joint lessees, made December 31, 1889, as supplemented by an agreement between said corporation and Lehigh Valley Railroad Company and the Lessor made December 31, 1910, the term thereof being for the term, less one day, of the charter of said The Buffalo Creek Railroad Company.

28. The leasehold interest in the lands and buildings and improvements thereon of Dunmore Iron and Steel Company, a Pennsylvania corporation, under a lease between said corporation and the Lessor made September 12, 1917, for a term of five years from said date and thereafter until terminated upon one year's notice in writing by either party to the other, said lands, buildings and improvements being situated in the Borough of Dunmore, Lackawanna County, State of Pennsylvania.

29. The reversionary interest of the Lessor in part of the railroad formerly owned by The Lockport and Buffalo Railway Company and now known as the Lockport Branch of the Lessor and extending from North Tonawanda to Lockport, all in Niagara County, State of New

York; said part being leased to and operated by International Railway Company, a New York corporation, under an agreement between Buffalo and Lockport Railway and the Lessor made June 1, 1898, as amended by two agreements between the same parties made September 1, 1899, the term of said lease ending on June 1, 2897; said International Railway Company having succeeded to the rights of said Buffalo and Lockport Railway under said agreements.

30. The reversionary interest of the Lessor in that part of the railroad of Avon, Geneseo & Mount Morris Railroad Company, a New York corporation, extending from a point in Mount Morris to a point approximately 2.35 miles southerly thereof, all in Livingston County, State of New York; the railroad and other properties of said corporation being held by the Lessor, as lessee, as hereinabove set forth, and the part aforesaid being held and operated by The Dansville and Mount Morris Railroad Company, a New York corporation, as sub-lessee, under an agreement between said corporation and John King and J. G. McCullough, as Receivers of The New York, Lake Erie and Western Railroad Company, made January 2, 1894, to whose interests in said agreement the Lessor has succeeded, such sub-lease being terminable upon thirty days' notice in writing given by either party to the other.

31. The right, title and interest of the Lessor in and to the following properties situated in the City and State of New York and used by the Lessor in connection with its operation of the railroads owned by it in fee and held by it as lessee or otherwise controlled by it:

The following situated in New York County:

(*a*) Pier 7 East River, adjoining wharf property and bulkhead, leased from City of New York.

(*b*) Chambers Street ferry terminal, North River, occupied under agreement with City of New York.

(*c*) Pier 20 and Pier 21 North River and bulkhead and marginal way shed, occupied under agreements with City of New York.

(*d*) West Twenty-third Street ferry terminal, North River, occupied under agreement with City of New York.

(*e*) Pier 67 North River and adjoining bulkhead at foot of West Twenty-eighth and West Twenty-ninth Streets, occupied for car float transfer bridge under lease and agreement with City of New York, and subject to agreement with Panama Railroad Company for use of Pier 67 by said company.

(*f*) Twenty-eighth Street freight terminal yard and station between Thirteenth Avenue, Eleventh Avenue, West Twenty-eighth and West Twenty-ninth Streets, with tracks crossing Thirteenth Avenue to connect with the car float transfer bridge referred to in the immediately preceding item (*e*), the land occupied by said freight terminal yard and station being in part leased and in part owned by Erie Land and Improvement Company, hereinafter mentioned.

The following situated in Kings County:

(*g*) Wharf facilities and warehouse at Wallabout Basin, Borough of Brooklyn, occupied under agreement with George Dressler and Dressler Realty Company.

FIFTH: The following shares of stock:

A. The following shares of the capital stock of corporations whose railroads and other properties are operated by the Lessor by virtue of ownership by the Lessor of all or practically all of the capital stock of each of such corporations, and without lease or other written agreement, some of which shares are pledged under one or more of the mortgages or other obligations hereinafter described and some of which are unpledged, as hereinafter stated:

1. $4,000 par value, being all, of the issued and outstanding capital stock of The Arlington Railroad Company, a corporation of the State of New Jersey, all of which is unpledged.

2. $40,000 par value, being all, of the issued and outstanding capital stock of Bergen and Dundee Railroad Company, a corporation of the State of New Jersey, all of which is pledged as aforesaid.

3. $9,000 par value, being all, of the issued and outstanding capital stock of The Docks Connecting Railway Company, a corporation of the State of New Jersey, all of which is pledged as aforesaid.

4. $6,000 par value, being all, of the issued and outstanding capital stock of Penhorn Creek Railroad Company, a corporation of the State of New Jersey, all of which is pledged as aforesaid.

5. $1,500,000 par value, being all, of the issued and outstanding capital stock of The Erie and Wyoming Valley Railroad Company, a corporation of the Commonwealth of Pennsylvania, all of which is pledged as aforesaid.

6. $150,000 par value, being all, of the issued and outstanding capital stock of The Moosic Mountain and Carbondale Railroad Company, a corporation of the Commonwealth of Pennsylvania, all of which is unpledged.

7. $390,900 par value of the $391,200 common stock issued and outstanding of Tioga Railroad Company, a corporation of the Commonwealth of Pennsylvania, all of which is pledged as aforesaid; the remaining $300 par value thereof issued and outstanding being owned by third parties whose names, and the whereabouts of the certificates for which, are unknown.

$189,700 par value, being all, of the preferred stock issued and outstanding of Tioga Railroad Company, a corporation of the Commonwealth of Pennsylvania, all of which is pledged as aforesaid.

Said Tioga Railroad Company is the lessee of the railroads and other properties of The Arnot and Pine Creek Railroad Company and The Elmira State Line Railroad Company and of a railroad extending from Blossburg, Pa. to Arnot, Pa. and owned by The Blossburg Coal Company, as hereinafter stated.

8. $22,500 par value, being all, of the issued and outstanding capital stock of The Brockport and Shawmut Railroad Company, a corporation of the Commonwealth of Pennsylvania, all of which is unpledged.

9. $10,000 par value, being all, of the issued and outstanding capital stock of Eriton Railroad Company, a corporation of the Commonwealth of Pennsylvania, all of which is unpledged.

10. $18,750 par value, being all, of the issued and outstanding capital stock of Conesus Lake Railroad Company, a corporation of the State of New York, all of which is pledged as aforesaid.

11. $9,600 par value, being all, of the issued and outstanding capital stock of The Erie and Black

Rock Railroad Company, a corporation of the State of New York, all of which is unpledged.

12. $130,000 par value, being all, of the issued and outstanding capital stock of Columbus and Erie Railroad Company, a corporation of the Commonwealth of Pennsylvania, all of which is pledged as aforesaid.

B. The following shares of the capital stock of Erie Terminals Railroad Company, a corporation of the State of New Jersey, a part of whose railroads and other properties (including .21 mile of railroad over the Hackensack River Bridge, in New Jersey) are operated by the Lessor without lease or other written agreement and by virtue of the ownership of such shares, constituting a majority of the capital stock issued and outstanding, and by virtue of the ownership of the remainder thereof by New York, Susquehanna and Western Railroad Company, practically all of the capital stock of which is owned by the Lessor, and which operates under trackage rights over the remainder of such railroads and other properties, as hereinafter stated:

$60,000 par value of the $68,000 capital stock issued and outstanding, all of which is unpledged; the remaining $8,000 par value thereof being owned by New York, Susquehanna and Western Railroad Company, hereinabove and hereinafter mentioned, which operates under trackage rights over 1.27 miles of the railroad of said Erie Terminals Railroad Company at Undercliff, New Jersey.

C. The following shares of the capital stock of corporations whose railroads and other properties are operated by the Lessor under lease, and all or practically all of the capital stock of each of which corporations is owned by the Lessor, some of which shares are pledged under one or more of the mortgages or other obligations hereinafter described and some of which are unpledged, as hereinafter stated:

1. $800,000 par value, being all, of the issued and outstanding capital stock of The Long Dock Company, a corporation of the State of New Jersey, all of which is pledged as aforesaid.

2. $604,000 par value, being all, of the issued and outstanding capital stock of New York, Lake Erie and Western Docks and Improvement Company, a

corporation of the State of New Jersey, all of which is pledged as aforesaid.

3. $250,000 par value, being all, of the issued and outstanding capital stock of Newark and Hudson Railroad Company, a corporation of the State of New Jersey, all of which is pledged as aforesaid.

4. $250,000 par value, being all, of the issued and outstanding capital stock of The Paterson, Newark and New York Railroad Company, a corporation of the State of New Jersey, all of which is pledged as aforesaid.

5. $200,000 par value, being all, of the issued and outstanding capital stock of The Bergen County Railroad Company, a corporation of the State of New Jersey, all of which is pledged as aforesaid.

6. $2,095,700 par value, consisting of 41,914 shares of $50 each, of the $2,096,050 capital stock issued and outstanding of The Jefferson Railroad Company, a corporation of the Commonwealth of Pennsylvania, of which $2,095,450 par value is pledged as aforesaid and $250 par value is unpledged; the remaining $350 par value thereof issued and outstanding being owned by the public.

7. $19,999,100 par value of the $20,000,000 capital stock issued and outstanding of The Nypano Railroad Company, a corporation of the States of Ohio and Pennsylvania, all of which is pledged as aforesaid; the remaining $900 par value thereof being owned by directors of said corporation.

Said The Nypano Railroad Company is the lessee of the railroads and other properties of The Cleveland and Mahoning Valley Railway Company, The Sharon Railway, Westerman Coal and Iron Railroad and The Youngstown and Austintown Railway Company, all of which are subleased by it to, and operated by, the Lessor, as hereinabove stated.

8. $400,000 par value, being all, of the issued and outstanding capital stock of Dunmore Iron and Steel Company, a corporation of the Commonwealth of Pennsylvania, all of which is pledged as aforesaid.

D. The following shares of the capital stock of New York, Lake Erie and Western Coal and Railroad Company, a corporation of the Commonwealth of Pennsylvania, whose railroads and other properties are operated

by the Lessor under lease, the remaining shares of the capital stock of which are owned by a corporation controlled by the Lessor:

$80,600 par value of the $500,000 capital stock issued and outstanding, all of which is unpledged; the remaining $419,400 par value thereof issued and outstanding being owned by Northwestern Mining and Exchange Company of Erie, Pennsylvania, hereinafter mentioned, all of the capital stock of which is owned by the Lessor.

E. The following shares of the capital stock of corporations whose railroads and other properties are operated by the Lessor under lease, and a majority of the capital stock of each of which corporations is owned by the Lessor, some of which shares are pledged under one or more of the mortgages or other obligations hereinafter described and some of which are unpledged, as hereinafter stated:

1. $89,400 par value, consisting of 1788 shares of $50 each, of the $100,000 capital stock issued and outstanding of The New York and Greenwood Lake Railway Company, a corporation of the State of New Jersey, all of which is unpledged.

Said The New York and Greenwood Lake Railway Company owns (*a*) $38,400 par value of the $47,800 capital stock issued and outstanding of The Caldwell Railway Company, $500 par value of the remainder thereof issued and outstanding being owned by the Lessor, as hereinafter stated; and (*b*) $2,000 par value, being all, of the issued and outstanding capital stock of The Roseland Railway Company; each thereof being a corporation of the State of New Jersey.

2. $120,650 par value, consisting of 2413 shares of $50 each, of the $122,200 capital stock issued and outstanding of Middletown and Crawford Railroad Company, a corporation of the State of New York, all of which is pledged as aforesaid; the remaining $1,550 par value thereof issued and outstanding being owned $1,250 by Erie Land and Improvement Company, hereinafter mentioned, and $300 by the public.

3. $2,214,200 par value of the $2,286,400 capital stock issued and outstanding of The Buffalo, Bradford and Pittsburgh Railroad Company, a corporation of the State of New York, of which $2,204,900 par value is pledged as aforesaid and $9,300 par value is unpledged.

F. The following shares of the capital stock of corporations whose railroads and other properties are operated by the Lessor by virtue of ownership by the Lessor of all or a majority of the capital stock of each of such corporations and also by virtue of leases of said railroads and other properties to Tioga Railroad Company, practically all of whose capital stock is owned by the Lessor, as hereinabove stated, all of which shares are pledged under one or more of the mortgages or other obligations hereinafter described:

1. $255,000 par value, being all, of the issued and outstanding capital stock of The Arnot and Pine Creek Railroad Company, a corporation of the Commonwealth of Pennsylvania, all of which is pledged as aforesaid.

The railroads and other properties of said corporation were leased to said Tioga Railroad Company for a term of 97 years under agreement dated March 6, 1883.

2. $69,200 par value of the $90,200 capital stock issued and outstanding of The Elmira State Line Railroad Company, a corporation of the State of New York, all of which is pledged as aforesaid.

The railroads and other properties of said corporation were leased to said Tioga Railroad Company for a term of 999 years under agreement dated August 11, 1876.

G. The following shares of the capital stock of corporations whose railroads and other properties are leased to The Nypano Railroad Company, practically all of the capital stock of which is owned by the Lessor, as hereinabove stated, and which are operated by the Lessor under sub-leases from said The Nypano Railroad Company, some of which shares are pledged under one or more of the mortgages or other obligations hereinafter described and some of which are unpledged, as hereinafter stated:

1. $507,300 par value, consisting of 10,146 shares of $50 each, of the $1,389,000 capital stock issued and outstanding of The Sharon Railway, a corporation of the Commonwealth of Pennsylvania, of which $505,750 is pledged as aforesaid and $1,550 is unpledged.

2. $10,150 par value, consisting of 203 shares of $50 each, of the $10,500 capital stock issued and outstanding of The Youngstown and Austintown Railway Company, a corporation of the State of Ohio, all of which is unpledged; the remaining $350 par value thereof issued and outstanding being owned by directors of said corporation.

H. The following shares of the capital stock of corporations whose railroads and other properties are operated by the Lessor under lease, and a minority of the capital stock of each of which corporations is owned by the Lessor, some of which shares are pledged under one or more of the mortgages or other obligations hereinafter described and some of which are unpledged, as hereinafter stated:

1. $800 par value of the $1,000,000 capital stock issued and outstanding of Northern Railroad Company of New Jersey, a corporation of the State of New Jersey, all of which is unpledged.

2. $149,400 par value of the $555,200 capital stock issued and outstanding of Rochester & Genesee Valley Railroad, a corporation of the State of New York, all of which is pledged as aforesaid.

3. $31,900 par value of the $225,000 capital stock issued and outstanding of Avon, Geneseo & Mount Morris Railroad Company, a corporation of the State of New York, of which $30,700 is pledged as aforesaid and $1,200 is unpledged.

I. The following shares of the capital stock of The Buffalo Creek Railroad Company, a corporation of the State of New York, whose railroads and other properties are operated by the Lessor and Lehigh Valley Railroad Company, as joint lessees, and over whose railroads the Lessor also operates under a trackage agreement:

$125,000 par value, consisting of 1,250 shares of $100 each, of the $250,000 capital stock issued and outstanding, all of which is pledged under one or more of the mortgages hereinafter described; the remaining $125,000 par value thereof being owned by said Lehigh Valley Railroad Company.

J. The following shares of the capital stock of corporations whose railroads and other properties are operated by such corporations themselves and independently

of the Lessor, and all or practically all of the capital stock of each of which corporations is owned by the Lessor, some of which shares are pledged under one or more of the mortgages or other obligations hereinafter described and some of which are unpledged, as hereinafter stated:

1. $100,000 par value, being all, of the issued and outstanding capital stock of Chicago and Erie Railroad Company, a corporation of the State of Indiana, all of which is pledged as aforesaid.

Said Chicago and Erie Railroad Company owns the following shares of capital stock, some of which shares are pledged under its First Mortgage to Central Trust Company of New York and Edward Daniels, as Trustees, dated August 21, 1890, under which $12,000,000 principal amount of bonds are outstanding and held by the public, and its Income Mortgage to New York Security and Trust Company and John B. Elam, as Trustees, dated August 21, 1890, under which $10,000,000 principal amount of bonds are outstanding and of which $98,000 are held by the public and $9,902,000 are held by the Lessor and pledged under one or more of the mortgages hereinafter described:

(*a*) $1,000,000 par value of the $5,000,000 capital stock issued and outstanding of Chicago and Western Indiana Railroad Company, a corporation of the State of Illinois, over whose railroads said Chicago and Erie Railroad Company operates under trackage agreements, of which $999,900 is pledged as aforesaid and $100 is unpledged.

(*b*) $240,000 par value of the $3,120,000 capital stock of The Belt Railway Company of Chicago, a corporation of the State of Illinois, of which $239,900 is pledged as aforesaid and $100 is unpledged.

2. $1,080,800 par value of the $1,440,800 common stock issued and outstanding of The New Jersey and New York Railroad Company, a consolidated corporation of the States of New Jersey and New York, all of which is unpledged.

$779,400 par value of the $787,800 preferred stock issued and outstanding of The New Jersey and New York Railroad Company, a consolidated corporation of the States of New Jersey and New York, all of which is unpledged.

Said The New Jersey and New York Railroad Company owns $72,500, being all, of the issued and outstanding capital stock of The New Jersey and New York Extension Railroad Company, a corporation of the State of New York, whose railroads and other properties are operated under lease by said The New Jersey and New York Railroad Company, all of which is pledged under the General Mortgage of The New Jersey and New York Railroad Company to Joseph E. Gay and Robert W. de Forest, as Trustees, dated December 31, 1892, under which $631,000 principal amount of bonds are outstanding and held by the public.

3. $12,780,173 par value, consisting of 127,801 shares of $100 each and $73 in scrip, of the $12,960,830 common stock issued and outstanding of New York, Susquehanna and Western Railroad Company, a corporation of the States of New Jersey and Pennsylvania, of which $6,630,000 par value is pledged as aforesaid and $6,150,173 par value is unpledged; the remaining $180,657 par value thereof issued and outstanding includes $144,511 held by William J. Moody, as Trustee, for conversion of outstanding securities of the former Midland Railroad Company of New Jersey.

$12,955,244 par value, consisting of 129,552 shares of $100 each and $44 in scrip, of the $12,995,840 preferred stock issued and outstanding of New York, Susquehanna and Western Railroad Company, a corporation of the States of New Jersey and Pennsylvania, of which $6,630,000 par value is pledged as aforesaid and $6,325,244 par value is unpledged; the remaining $40,596 par value thereof issued and outstanding includes $30,996 held by William J. Moody, as Trustee, for conversion of outstanding securities of the former Midland Railroad Company of New Jersey, $400 owned by Erie Land and Improvement Company, hereinafter mentioned, and $500 owned by the issuing corporation.

Said New York, Susquehanna and Western Railroad Company owns or controls the following shares of capital stock:

(*a*) $8,000 par value of the $68,000 capital stock issued and outstanding of Erie Terminals Railroad Company, over 1.27 miles of the railroad of which, at Undercliff, New Jersey, said

New York, Susquehanna and Western Railroad Company operates under trackage rights; the remaining $60,000 par value thereof being owned by the Lessor, as hereinabove stated.

(*b*) $60,000 par value of the capital stock of The Lodi Branch Railroad Company; $25,000 par value of the capital stock of The Hackensack and Lodi Railroad Company; $70,000 par value of the capital stock of Passaic and New York Railroad Company; and $60,000 par value of the capital stock of Macopin Railroad Company; being all of the issued and outstanding capital stock of each of said corporations; each thereof being a corporation of the State of New Jersey; and the railroads and other properties of each thereof being operated under lease by said New York, Susquehanna and Western Railroad Company.

(*c*) $3,000,000 par value, being all, of the issued and outstanding capital stock of The Wilkes-Barre and Eastern Railroad Company, a corporation of the Commonwealth of Pennsylvania, whose railroads and other properties are independently operated by it.

(*d*) $500,000 par value, being all, of the issued and outstanding capital stock of Susquehanna Connecting Railroad Company, a corporation of the Commonwealth of Pennsylvania, whose railroads and other properties are operated under lease by said The Wilkes-Barre and Eastern Railroad Company.

K. The following shares of the capital stock of railroad corporations none of whose railroads and other properties are operated by the Lessor, and less than a majority of the capital stock of each of which corporations is owned by the Lessor, some of which shares are pledged under one or more of the mortgages or other obligations hereinafter described and some of which are unpledged, as hereinafter stated:

1. $25,000 par value of the $100,000 capital stock issued and outstanding of The Akron and Barberton Belt Railroad Company, a corporation of the State of Ohio, all of which is unpledged.

2. $572,900 par value of the $4,707,000 capital stock issued and outstanding of The Lehigh and Hud-

son River Railway Company, a corporation of the States of New York and New Jersey, of which $562,500 is pledged as aforesaid and $10,400 is unpledged.

3. $899,500 par value of the $1,800,000 capital stock issued and outstanding of The Lorain, Ashland & Southern Railroad Company, a corporation of the State of Ohio, all of which is unpledged; an additional $500 par value being held by directors of said corporation representing the Lessor.

4. $3,250 par value, consisting of 65 shares of $50 each, of the $100,000 capital stock issued and outstanding of The Mahoning State Line Railroad Company, a corporation of the State of Ohio, all of which is unpledged.

L. The following shares of the capital stock of railroad corporations not coming within any of the foregoing classes:

1. $500 par value of the $47,800 capital stock issued and outstanding of The Caldwell Railway Company, a corporation of the State of New Jersey, all of which is unpledged; $38,400 par value of the remainder thereof issued and outstanding being owned by The New York and Greenwood Lake Railway Company, as hereinabove stated.

2. $250,000 par value, being all, of the issued and outstanding capital stock of Delaware Valley and Kingston Railway Company, a corporation of the State of New York, all of which is pledged under one or more of the mortgages hereinafter described.

3. $49,800 par value of the $50,500 capital stock issued and outstanding of The Canal Belt Railroad Company, a corporation of the State of Ohio, all of which is unpledged; the remaining $700 par value thereof issued and outstanding being owned by directors of said corporation.

M. The following shares of the capital stock of coal corporations, all of which shares are pledged under one or more of the mortgages or other obligations hereinafter described:

1. $500,000 par value, being all, of the issued and outstanding capital stock of Northwestern Mining and Exchange Company of Erie, Pennsylvania, a corporation of the Commonwealth of Pennsylvania, all of which is pledged as aforesaid.

Said corporation owns $419,400 par value of the $500,000 capital stock issued and outstanding of New York, Lake Erie and Western Coal and Railroad Company, the remaining $80,600 thereof being owned by the Lessor, as hereinabove stated; and $20,000 par value, being all, of the issued and outstanding capital stock of The West Clarion Railroad Company, a corporation of the Commonwealth of Pennsylvania.

2. $1,000,000 par value, being all, of the issued and outstanding capital stock of The Blossburg Coal Company, a corporation of the Commonwealth of Pennsylvania, all of which is pledged as aforesaid.

Said corporation owns the railroad extending from Blossburg, Pa., to Arnot, Pa., leased by Bloss Coal Mining and Railroad Company to Tioga Railroad Company for a term of 999 years under agreement dated July 1, 1867, subsequently acquired, subject to said lease, by said corporation and now operated by the Lessor by virtue of ownership by the Lessor of all of the capital stock of said The Blossburg Coal Company and practically all of the capital stock of said Tioga Railroad Company, as hereinabove stated, and also by virtue of said lease.

3. $1,000,000 par value, being all, of the issued and outstanding capital stock of Hillside Coal and Iron Company, a corporation of the Commonwealth of Pennsylvania, all of which is pledged as aforesaid.

Said corporation owns $93,625 par value of the $314,750 preferred stock issued and outstanding of The New York, Susquehanna and Western Coal Company, a corporation of the Commonwealth of Pennsylvania; the remaining $221,125 par value thereof being owned $215,300 by Pennsylvania Coal Company, as hereinafter stated, and $5,825 by the public.

4. $5,000,000 par value, being all, of the issued and outstanding capital stock of Pennsylvania Coal Company, a corporation of the Commonwealth of Pennsylvania, all of which is pledged as aforesaid.

Said corporation owns $300,000 par value, being all, of the common stock, and $215,300 par value of the $314,750 preferred stock, issued and outstanding of The New York, Susquehanna and Western Coal Company, a corporation of the Commonwealth of

Pennsylvania; the remaining $99,450 par value thereof being owned as hereinabove set forth.

N. The following shares of capital stock of sundry corporations not coming within any of the foregoing classes:

1. $5,000 par value, being all, of the issued and outstanding capital stock of Erie Land and Improvement Company, a corporation of the State of New Jersey, all of which is unpledged.

Said corporation owns the following shares of capital stock:

(*a*) $100,000 par value, being all, of the issued and outstanding capital stock of Southern Tier Development Company, a corporation of the State of New York.

(*b*) $1,250 par value of the $122,200 capital stock of Middletown and Crawford Railroad Company, hereinabove mentioned.

(*c*) $400 par value of the $12,995,840 preferred stock of New York, Susquehanna and Western Railroad Company, hereinabove mentioned.

(*d*) $17,800 par value of the $630,000 capital stock of The President and Directors of the Paterson and Hudson River Railroad Company, a New Jersey corporation, whose railroads and other properties are leased to and operated by the Lessor, as hereinabove stated.

(*e*) $45,150 par value of the $298,000 capital stock of The Paterson and Ramapo Railroad Company, a New Jersey corporation, whose railroads and other properties are leased to and operated by the Lessor, as hereinabove stated.

(Said Southern Tier Development Company owns—

$99,800 par value of the $100,000 capital stock issued and outstanding of Bath and Hammondsport Railroad Company, a corporation of the State of New York, the remaining $200 par value thereof being owned by the public;

$20,000 par value, being all, of the issued and outstanding capital stock of The Lake Keuka Navigation Company, a corporation of the State of New York;

$100,000 par value, being all, of the issued and outstanding capital stock of Corning and Painted Post Street Railway, a corporation of the State of New York; and

$336,900 par value, being all, of the issued and outstanding capital stock of Elmira, Corning and Waverly Railway, a corporation of the State of New York.)

2. $100,000 par value, being all, of the issued and outstanding capital stock of The Pavonia Ferry Company, a corporation of the State of New Jersey, all of which is pledged under one or more of the mortgages hereinafter described.

3. $5,000 par value, being all, of the issued and outstanding capital stock of Erie Land and Improvement Company of Pennsylvania, a corporation of the Commonwealth of Pennsylvania, all of which is unpledged.

4. $1,000 par value, being all, of the issued and outstanding capital stock of Industrial Center Land Company, a corporation of the State of Indiana, all of which is unpledged.

5. $300 par value, being all, of the issued and outstanding capital stock of The Mahoning River Land Company, a corporation of the State of Minnesota, all of which is unpledged.

6. $7,900 par value, being all, of the issued and outstanding capital stock of Weehawken Stock Yard Company, a corporation of the State of New Jersey, all of which is unpledged.

O. All the other shares of capital stock and rights and interests in and to the same owned by the Lessor as shown by the books of account and records of the Lessor to which reference is hereby made for a statement thereof and the rights and interests of the Lessor in and to the same.

SIXTH: The following bonds, notes and certificates of indebtedness:

A. The following bonds of corporations whose railroads and other properties are operated by the Lessor either by virtue of ownership by the Lessor of capital stock of such corporations or under lease, some of which bonds are pledged under one or more of the mortgages or other obligations hereinafter described and some of which are unpledged, as hereinafter stated:

1. $265,000 principal amount, being all, of bonds of Tioga Railroad Company issued under its mortgage dated October 1, 1875, to George M. Diven, as trustee, which bonds have matured and all of which are pledged as aforesaid.

$125,000 principal amount, being all, of bonds of Tioga Railroad Company issued under its mortgage dated November 1, 1876, to Myron P. Bush, as trustee, which bonds have matured and all of which are pledged as aforesaid.

Said Tioga Railroad Company also has outstanding $239,500 principal amount of extended bonds issued under its mortgage dated April 24, 1852, to Theodore Dehon, Alfred S. Fraser and Watts Sherman, as trustees, and due November 1, 1935, of which $108,000 are owned by Erie Land and Improvement Company, hereinabove mentioned, and $131,500 are owned by the public.

2. $600,000 principal amount, being all, of the bonds of Columbus and Erie Railroad Company issued under its mortgage dated June 1, 1917, to United States Mortgage and Trust Company, as trustee, all of which are pledged as aforesaid.

3. $604,000 of the $4,000,000 principal amount of bonds of New York, Lake Erie and Western Docks and Improvement Company issued under its mortgage dated June 1, 1883, to The Farmers' Loan and Trust Company, as trustee, as modified by a supplemental contract dated February 8, 1890, all of which are pledged as aforesaid.

4. $250,000 principal amount, being all, of the bonds of Newark and Hudson Railroad Company issued under its mortgage dated September 20, 1871, to H. N. Otis, as trustee, all of which are pledged as aforesaid.

5. $499,000 of the $500,000 principal amount of bonds of The Paterson, Newark and New York Railroad Company issued under its mortgage dated January 1, 1868, to W. C. Rushmore and C. Walsh, as trustees, all of which are pledged as aforesaid.

6. $20,000,000 principal amount, being all, of bonds of The Nypano Railroad Company issued under its mortgage dated March 17, 1896, to The Farmers'

Loan and Trust Company, as trustee, all of which are pledged as aforesaid.

7. $1,900,000 of the $3,000,000 principal amount of bonds of New York, Lake Erie and Western Coal and Railroad Company issued under its two mortgages dated May 15, 1882, to Metropolitan Trust Company of the City of New York and J. Lowber Welsh, as trustees, all of which are pledged as aforesaid; $42,000 additional being held by Metropolitan Trust Company of the City of New York, as such trustee, in the sinking fund provided by indenture dated May 1, 1922, supplemental to said mortgage.

8. $13,200 of the $1,481,900 principal amount of bonds of The New York and Greenwood Lake Railway Company issued under its mortgage dated May 1, 1896, to New York Security and Trust Company, as trustee, all of which are unpledged.

$201.19 principal amount of bonds of The New York and Greenwood Lake Railway Company known as its First Mortgage Bonds and issued under its mortgage made November 30, 1878, to Edwin F. Bedell and Charles G. Barber, as trustees, which bonds matured November 30, 1908, and all of which are unpledged.

$3,328 principal amount of bonds of The New York and Greenwood Lake Railway Company known as its Second Mortgage Bonds and issued under its mortgage made November 30, 1878, to William L. Raymond and Edson D. Hammond, as trustees, which bonds matured November 30, 1908, and all of which are unpledged.

9. $66,000 principal amount, being all, of bonds of Middletown and Crawford Railroad Company issued under its mortgage dated April 1, 1871, to Jonathan M. Matthews, Ambrose S. Murray and Alexander Crawford, as trustees, which bonds matured April 1, 1921, and $57,200 of which are pledged as aforesaid and $8,800 of which are unpledged.

10. $580,000 principal amount, being all, of bonds of The Buffalo, Bradford and Pittsburgh Railroad Company issued under its mortgage dated January 1, 1865, to Dorman B. Eaton, as trustee, which bonds matured January 1, 1896, and all of which are pledged as aforesaid.

Pennsylvania; the remaining $99,450 par value thereof being owned as hereinabove set forth.

N. The following shares of capital stock of sundry corporations not coming within any of the foregoing classes:

1. $5,000 par value, being all, of the issued and outstanding capital stock of Erie Land and Improvement Company, a corporation of the State of New Jersey, all of which is unpledged.

Said corporation owns the following shares of capital stock:

(*a*) $100,000 par value, being all, of the issued and outstanding capital stock of Southern Tier Development Company, a corporation of the State of New York.

(*b*) $1,250 par value of the $122,200 capital stock of Middletown and Crawford Railroad Company, hereinabove mentioned.

(*c*) $400 par value of the $12,995,840 preferred stock of New York, Susquehanna and Western Railroad Company, hereinabove mentioned.

(*d*) $17,800 par value of the $630,000 capital stock of The President and Directors of the Paterson and Hudson River Railroad Company, a New Jersey corporation, whose railroads and other properties are leased to and operated by the Lessor, as hereinabove stated.

(*e*) $45,150 par value of the $298,000 capital stock of The Paterson and Ramapo Railroad Company, a New Jersey corporation, whose railroads and other properties are leased to and operated by the Lessor, as hereinabove stated.

(Said Southern Tier Development Company owns—

$99,800 par value of the $100,000 capital stock issued and outstanding of Bath and Hammondsport Railroad Company, a corporation of the State of New York, the remaining $200 par value thereof being owned by the public;

$20,000 par value, being all, of the issued and outstanding capital stock of The Lake Keuka Navigation Company, a corporation of the State of New York;

$100,000 par value, being all, of the issued and outstanding capital stock of Corning and Painted Post Street Railway, a corporation of the State of New York; and

$336,900 par value, being all, of the issued and outstanding capital stock of Elmira, Corning and Waverly Railway, a corporation of the State of New York.)

2. $100,000 par value, being all, of the issued and outstanding capital stock of The Pavonia Ferry Company, a corporation of the State of New Jersey, all of which is pledged under one or more of the mortgages hereinafter described.

3. $5,000 par value, being all, of the issued and outstanding capital stock of Erie Land and Improvement Company of Pennsylvania, a corporation of the Commonwealth of Pennsylvania, all of which is unpledged.

4. $1,000 par value, being all, of the issued and outstanding capital stock of Industrial Center Land Company, a corporation of the State of Indiana, all of which is unpledged.

5. $300 par value, being all, of the issued and outstanding capital stock of The Mahoning River Land Company, a corporation of the State of Minnesota, all of which is unpledged.

6. $7,900 par value, being all, of the issued and outstanding capital stock of Weehawken Stock Yard Company, a corporation of the State of New Jersey, all of which is unpledged.

O. All the other shares of capital stock and rights and interests in and to the same owned by the Lessor as shown by the books of account and records of the Lessor to which reference is hereby made for a statement thereof and the rights and interests of the Lessor in and to the same.

SIXTH: The following bonds, notes and certificates of indebtedness:

A. The following bonds of corporations whose railroads and other properties are operated by the Lessor either by virtue of ownership by the Lessor of capital stock of such corporations or under lease, some of which bonds are pledged under one or more of the mortgages or other obligations hereinafter described and some of which are unpledged, as hereinafter stated:

1. $265,000 principal amount, being all, of bonds of Tioga Railroad Company issued under its mortgage dated October 1, 1875, to George M. Diven, as trustee, which bonds have matured and all of which are pledged as aforesaid.

$125,000 principal amount, being all, of bonds of Tioga Railroad Company issued under its mortgage dated November 1, 1876, to Myron P. Bush, as trustee, which bonds have matured and all of which are pledged as aforesaid.

Said Tioga Railroad Company also has outstanding $239,500 principal amount of extended bonds issued under its mortgage dated April 24, 1852, to Theodore Dehon, Alfred S. Fraser and Watts Sherman, as trustees, and due November 1, 1935, of which $108,000 are owned by Erie Land and Improvement Company, hereinabove mentioned, and $131,500 are owned by the public.

2. $600,000 principal amount, being all, of the bonds of Columbus and Erie Railroad Company issued under its mortgage dated June 1, 1917, to United States Mortgage and Trust Company, as trustee, all of which are pledged as aforesaid.

3. $604,000 of the $4,000,000 principal amount of bonds of New York, Lake Erie and Western Docks and Improvement Company issued under its mortgage dated June 1, 1883, to The Farmers' Loan and Trust Company, as trustee, as modified by a supplemental contract dated February 8, 1890, all of which are pledged as aforesaid.

4. $250,000 principal amount, being all, of the bonds of Newark and Hudson Railroad Company issued under its mortgage dated September 20, 1871, to H. N. Otis, as trustee, all of which are pledged as aforesaid.

5. $499,000 of the $500,000 principal amount of bonds of The Paterson, Newark and New York Railroad Company issued under its mortgage dated January 1, 1868, to W. C. Rushmore and C. Walsh, as trustees, all of which are pledged as aforesaid.

6. $20,000,000 principal amount, being all, of bonds of The Nypano Railroad Company issued under its mortgage dated March 17, 1896, to The Farmers'

Loan and Trust Company, as trustee, all of which are pledged as aforesaid.

7. $1,900,000 of the $3,000,000 principal amount of bonds of New York, Lake Erie and Western Coal and Railroad Company issued under its two mortgages dated May 15, 1882, to Metropolitan Trust Company of the City of New York and J. Lowber Welsh, as trustees, all of which are pledged as aforesaid; $42,000 additional being held by Metropolitan Trust Company of the City of New York, as such trustee, in the sinking fund provided by indenture dated May 1, 1922, supplemental to said mortgage.

8. $13,200 of the $1,481,900 principal amount of bonds of The New York and Greenwood Lake Railway Company issued under its mortgage dated May 1, 1896, to New York Security and Trust Company, as trustee, all of which are unpledged.

$201.19 principal amount of bonds of The New York and Greenwood Lake Railway Company known as its First Mortgage Bonds and issued under its mortgage made November 30, 1878, to Edwin F. Bedell and Charles G. Barber, as trustees, which bonds matured November 30, 1908, and all of which are unpledged.

$3,328 principal amount of bonds of The New York and Greenwood Lake Railway Company known as its Second Mortgage Bonds and issued under its mortgage made November 30, 1878, to William L. Raymond and Edson D. Hammond, as trustees, which bonds matured November 30, 1908, and all of which are unpledged.

9. $66,000 principal amount, being all, of bonds of Middletown and Crawford Railroad Company issued under its mortgage dated April 1, 1871, to Jonathan M. Matthews, Ambrose S. Murray and Alexander Crawford, as trustees, which bonds matured April 1, 1921, and $57,200 of which are pledged as aforesaid and $8,800 of which are unpledged.

10. $580,000 principal amount, being all, of bonds of The Buffalo, Bradford and Pittsburgh Railroad Company issued under its mortgage dated January 1, 1865, to Dorman B. Eaton, as trustee, which bonds matured January 1, 1896, and all of which are pledged as aforesaid.

11. $160,000 principal amount, being all, of the bonds of The Elmira State Line Railroad Company issued under its mortgage dated October 1, 1875, to Matthias H. Arnot, as trustee, which bonds matured October 1, 1905, and all of which are pledged as aforesaid.

B. The following bonds of corporations whose railroads and/or other properties are operated by such corporations themselves and independently of the Lessor, and all or practically all of the capital stock of each of which corporations is owned or controlled by the Lessor, some of which bonds are pledged under one or more of the mortgages or other obligations hereinafter described and some of which are unpledged, as hereinafter stated:

1. $9,902,000 of the $10,000,000 principal amount of bonds of Chicago and Erie Railroad Company (hereinabove mentioned) issued under its mortgage dated August 21, 1890, to New York Security and Trust Company and John B. Elam, as trustees, all of which are pledged as aforesaid.

2. $200,000 principal amount, being all, of extended bonds of Bath and Hammondsport Railroad Company (hereinabove mentioned) issued under its mortgage dated April 1, 1893, to Union Trust Company, as trustee, all of which are unpledged.

3. $150,000 principal amount, being all, of bonds of The Lake Keuka Navigation Company (hereinabove mentioned) issued under its mortgage dated April 1, 1893, to Continental Trust Company of the City of New York, as trustee, which bonds matured April 1, 1923, and all of which are unpledged.

4. $100,000 principal amount, being all, of extended bonds of Corning and Painted Post Street Railway (hereinabove mentioned) issued under its mortgage dated January 1, 1896, to Beacon Trust Company of Boston, as trustee, all of which are pledged as aforesaid.

5. $1,352,000 principal amount, being all, of bonds of Elmira, Corning and Waverly Railway (hereinabove mentioned) issued under its mortgage dated June 1, 1907, to The Standard Trust Company of New York, as trustee, of which $520,000 are pledged as aforesaid and $832,000 are unpledged.

C. The following bonds of railroad corporations none of whose railroads and other properties is operated by the Lessor, and less than a majority, or none, of the capital stock of each of which corporations is owned by the Lessor, some of which bonds are pledged under one or more of the mortgages or other obligations hereinafter described and some of which are unpledged, as hereinafter stated:

1. $35,000 of the $826,000 principal amount of bonds of The Akron and Barberton Belt Railroad Company issued under its mortgage dated June 2, 1902, to United States Mortgage & Trust Company, as trustee, all of which are pledged as aforesaid.

2. $750,000 of the $1,500,000 principal amount of bonds of The Lorain, Ashland & Southern Railroad Company issued under its mortgage dated May 13, 1913, to Irving Bank-Columbia Trust Company, as trustee, all of which are pledged as aforesaid.

$600,000 of the $1,200,000 principal amount of bonds of The Lorain, Ashland & Southern Railroad Company issued under its mortgage dated May 13, 1913, to St. Louis Union Trust Company, as trustee, all of which are unpledged.

3. $846,666.67 principal amount of bonds of Chicago and Western Indiana Railroad Company issued under its mortgage dated July 1, 1902, to Illinois Trust and Savings Bank, as trustee, of which $717,000 are pledged as aforesaid and $129,666.67 are unpledged; $26,000 additional principal amount of said bonds being owned by Chicago and Erie Railroad Company, hereinabove mentioned.

4. $6,000 principal amount of bonds of Pittsburgh, Chartiers and Youghiogheny Railway Company, a Pennsylvania corporation, issued under its mortgage dated April 1, 1892, to Fidelity Title and Trust Company, of Pittsburgh, Pennsylvania, as trustee, all of which are unpledged.

D. The following obligation of the corporations named below, all of the capital stock of each of which is owned by the Lessor:

$445,402.84 evidenced by a bond of Erie Land and Improvement Company of Pennsylvania (hereinabove mentioned) to the Lessor, dated June 1, 1914, and secured by a mortgage of the same date on cer-

tain coal lands and other properties; said properties having been purchased by Northwestern Mining and Exchange Company of Erie, Pennsylvania (hereinabove mentioned), and said bond and mortgage having been assumed by it under an indenture of deed dated November 22, 1919, and an agreement between said two companies and the Lessor dated June 17, 1924, and being unpledged.

E. All the other bonds, notes and certificates of indebtedness of the corporations mentioned in the foregoing clauses Fifth and Sixth (including all claims of the Lessor for moneys advanced by the Lessor to said corporations) owned by the Lessor as shown by the books of account and records of the Lessor to which reference is hereby made for a statement thereof and the rights and interests of the Lessor in and to the same.

F. All the other bonds, notes and certificates of indebtedness and rights and interests in and to the same owned by the Lessor as shown by the books of account and records of the Lessor to which reference is hereby made for a statement thereof and the rights and interests of the Lessor in and to the same.

G. The following bonds issued by the Lessor or its predecessor corporations under the mortgages hereinafter described and constituting liens on railroads and other properties owned by the Lessor:

1. $14,000 principal amount of The New York and Erie Railroad Company Fourth Mortgage Bonds, dated August 15, 1857, all of which are pledged as aforesaid.

2. $1,294,000 principal amount of Erie Railway Company Consolidated Mortgage Bonds, dated September 1, 1870, all of which are pledged as aforesaid.

3. $1,694,000 principal amount of The New York, Lake Erie and Western Railroad Company First Consolidated Mortgage Funded Coupon Bonds, dated September 1, 1878, all of which are pledged as aforesaid.

4. $937,000 principal amount of Buffalo and Southwestern Division Second Lien Five Per Cent. Gold Bonds of the Lessor, dated July 1, 1908, all of which are pledged as aforesaid.

5. $19,219,000 principal amount of General Lien Bonds of the Lessor, dated December 10, 1895, of

which $19,000,000 are pledged as aforesaid and $219,000 are unpledged.

6. $9,357,900 principal amount of Four Per Cent. Convertible Fifty-Year Bonds of the Lessor, dated April 1, 1903, of which $7,603,000 are pledged as aforesaid and $1,754,900 are unpledged.

7. $15,000,000 principal amount of Refunding and Improvement Mortgage Bonds, Series A, of the Lessor, of which $14,300,000 are pledged as aforesaid and $700,000 are unpledged.

8. $25,000,000 principal amount of Refunding and Improvement Mortgage Bonds, Series B, of the Lessor, of which $19,008,000 are pledged as aforesaid and $5,992,000 are unpledged.

SEVENTH: All other railroads, extensions, branches and bridges, lands, equipment (including floating equipment), rolling stock, property rights, and generally all property, real and personal, including stocks, bonds, obligations and indebtedness and rights owned by the Lessor at the effective date of this lease or at any time thereafter acquired and owned by it.

EIGHTH: All the corporate rights, franchises and privileges of the Lessor necessary to be enjoyed and exercised by the Lessee for the proper maintenance and use, operation and management of the leased properties, including the right to fix and establish from time to time and to collect, receive and appropriate to the Lessee's own use all tolls, rates and charges for the transportation of persons, property and mails not inconsistent with the requirements of such existing or hereafter enacted laws, federal or state, as may be constitutionally enforceable, and also the right to collect, receive and appropriate to the Lessee's own use all other income and revenue of every kind and description, of and from the leased properties; *provided however,* that nothing herein contained shall operate to grant or demise, or be construed to include, the franchise to be a corporation possessed by the Lessor, or any other right, privilege or franchise of the Lessor which is, or may be, necessary to enable the Lessor to carry out the provisions of this lease, or to fully preserve the corporate existence and organization of the Lessor; and its said franchise to be a corporation, and all the rights, privileges and franchises requisite for the preservation of its corporate existence and organization, and for the proper performance by the Lessor of the terms of this lease, are hereby expressly reserved and excepted from this lease.

NINTH: All property commonly known as current assets (except as provided in the following clause Tenth), including cash on hand or deposited in banks, special deposits, time deposits, notes, accounts and bills receivable, obligations of the United States of America, materials and supplies on hand or in transit, prepaid insurance premiums, discounts prepaid upon bills payable, prepaid taxes and all other prepayments, traffic and car service balances receivable, net balances receivable from agents and conductors and interest and dividends receivable.

TENTH: All other property of the Lessor, real, personal and mixed, of whatsoever kind and wheresoever situated, whether owned by the Lessor at the effective date of this lease or at any time thereafter acquired and owned by it, excepting only

(1) the books and records of the Lessor (other than those relating to the operation and accounts of the leased properties, which shall be turned over to the Lessee);

(2) deposits for the payment of interest upon the outstanding bonds and other obligations of the Lessor; and

(3) the payments to be made by the Lessee to and for account of the Lessor under this lease, and the rights of the Lessor against the Lessee arising out of this lease or out of the covenants and agreements of the Lessee herein contained.

TO HAVE AND TO HOLD the leased properties and their appurtenances, together with the proceeds, rents, issues and profits thereof, unto the Lessee, its successors and assigns, for its and their own proper use and benefit, from the day of , 1925, for the term of Nine Hundred and Ninety-nine (999) years then next ensuing;

SUBJECT, HOWEVER, to the lien or charge of the following described instruments in so far as the same may by their terms respectively attach to any part or parts of the leased properties, namely:

1. A mortgage created by an Act of the Legislature of the State of New York, entitled, "An Act in relation to the construction of the New York and Erie Railroad", passed May 14, 1845, (Laws of 1845, p. 352) and the acceptance of the terms and conditions thereof by The New York and Erie Railroad Company. There is no trustee.

$2,482,000 principal amount of The New York and Erie Railroad Company First Mortgage Bonds, dated July 1, 1847, and issued under said mortgage are now outstanding in the hands of the public.

Pursuant to an extension contract of the Lessor, dated January 14, 1897, interest on said bonds is payable at the rate of four per cent. (4%) per annum semi-annually on May 1 and November 1 in each year and the principal thereof is payable on May 1, 1947, payment of interest and principal having been assumed by the Lessor in said extension contract.

2. A mortgage made March 1, 1849, by The New York and Erie Railroad Company to John J. Palmer, Joseph Walker and Uriah J. Smith, as Trustees, John C. Bancroft Davis, as successor to said Joseph Walker, now being, by succession and survivorship, the sole Trustee.

$2,149,000 principal amount of The New York and Erie Railroad Company Second Mortgage Bonds, dated March 1, 1849, and issued under said mortgage are now outstanding in the hands of the public.

$6,000 principal amount thereof matured September 1, 1919.

Pursuant to an extension contract of the Lessor, dated September 1, 1919, interest on $2,143,000 principal amount of said bonds is payable at the rate of five per cent. (5%) per annum semi-annually on March 1 and September 1 in each year and the principal thereof is payable September 1, 1939, payment of interest and principal having been assumed by the Lessor in said extension contract.

Pursuant to said extension contract the Lessor may redeem said $2,143,000 principal amount of bonds on any interest day at par and ten per cent. (10%) premium and accrued interest.

3. A mortgage made March 1, 1853, by The New York and Erie Railroad Company to James Brown and John Davis, as Trustees, The Seaboard National Bank of New York City now being the sole and successor Trustee.

$4,617,000 principal amount of The New York and Erie Railroad Company Third Mortgage Bonds, dated March 1, 1853, and issued under said mortgage are now outstanding in the hands of the public.

$4,000 principal amount thereof matured March 1, 1923.

Pursuant to an extension contract of the Lessor, dated March 1, 1923, interest on $4,613,000 principal amount of said bonds is payable at the rate of four and one-half per cent. (4½%) per annum semi-annually on March 1 and September 1 in each year and the principal thereof is payable March 1, 1933, payment of interest and principal having been assumed by the Lessor in said extension contract.

Pursuant to said extension contract the Lessor may redeem said $4,613,000 principal amount of said bonds at any time at par and five per cent. (5%) premium and accrued interest.

4. A mortgage made August 15, 1857, by The New York and Erie Railroad Company to James Brown and John C. Bancroft Davis, as Trustees, The Seaboard National Bank of New York City now being the sole and successor Trustee.

$2,926,000 principal amount of The New York and Erie Railroad Company Fourth Mortgage Bonds, dated August 15, 1857, and issued under said mortgage are outstanding, $2,912,000 being owned by the public and $14,000 being owned by the Lessor.

$1,000 principal amount of said $2,912,000 matured October 1, 1920.

Pursuant to an extension contract of the Lessor, dated October 1, 1920, interest on $2,925,000 principal amount of said bonds is payable at the rate of five per cent. (5%) per annum semi-annually on April 1 and October 1 in each year and the principal thereof is payable October 1, 1930, payment of interest and principal having been assumed by the Lessor in said extension contract.

Pursuant to said extension contract the Lessor may redeem said $2,925,000 principal amount of bonds, in whole or in part, on any interest day at par and five per cent. (5%) premium and accrued interest.

5. A mortgage made June 1, 1858, and a mortgage supplemental thereto and made August 12, 1859, by The New York and Erie Railroad Company to James Brown and John C. Bancroft Davis, as Trustees, Farmers' Loan and Trust Company of New York City now being the sole and successor Trustee.

$709,500 principal amount of The New York and Erie Railroad Company Fifth Mortgage Bonds, dated June 1, 1858, and issued under said mortgage, as so supplemented, are now outstanding in the hands of the public.

Pursuant to an extension contract of The New York, Lake Erie and Western Railroad Company, a predecessor of the Lessor, dated June 1, 1888, interest on said bonds is payable at the rate of four per cent. (4%) per annum semi-annually on June 1 and December 1 in each year and the principal thereof is payable June 1, 1928.

6. A mortgage made July 1, 1861, by The Buffalo Branch of the Erie Railway Company and Erie Railway Company to Dudley S. Gregory and J. C. Bancroft Davis, as Trustees, The Seaboard National Bank of New York City now being the sole and successor Trustee.

$182,400 principal amount of bonds, dated July 1, 1861, and issued under said mortgage are now outstanding in the hands of the public.

Pursuant to an extension contract of The New York, Lake Erie and Western Railroad Company, a predecessor of the Lessor, dated July 1, 1891, interest on said bonds is payable at the rate of four per cent. (4%) per annum semi-annually on January 1 and July 1 in each year and the principal thereof is payable July 1, 1931.

7. A mortgage made September 1, 1870, by Erie Railway Company to The Farmers' Loan and Trust Company, as Trustee, Guaranty Trust Company of New York now being the successor Trustee.

$16,866,000 principal amount of Erie Railway Company Consolidated Mortgage Bonds, dated September 1, 1870, and issued under said mortgage are outstanding, $15,572,000 being owned by the public and $1,294,000 being owned by the Lessor.

$6,000 of said $15,572,000 principal amount of said bonds outstanding and owned by the public matured September 1, 1920.

Pursuant to an extension contract of the Lessor, dated September 1, 1920, interest on the $16,860,000 principal amount of extended bonds outstanding and unmatured is payable at the rate of seven per cent. (7%) per annum semi-annually on March 1 and September 1 in each year and the principal thereof is payable September 1, 1930, payment of interest and principal having been assumed by the Lessor in said extension contract.

Pursuant to said extension contract the Lessor may redeem said extended bonds, in whole or in part, on any interest day at par and ten per cent. (10%)

premium and accrued interest.

8. A mortgage made September 1, 1878, by The New York, Lake Erie and Western Railroad Company to The Farmers' Loan and Trust Company, as Trustee, secured by deposit with the Trustee of uncancelled coupons maturing in the years 1875 to 1879, inclusive, of Erie Railway Company Consolidated Mortgage Bonds issued under its mortgage made September 1, 1870.

$3,699,500 principal amount of The New York, Lake Erie and Western Railroad Company First Consolidated Mortgage Funded Coupon Bonds, dated September 1, 1878, and issued under said mortgage are outstanding, $2,005,500 being owned by the public and $1,694,000 being owned by the Lessor.

Pursuant to an extension contract of the Lessor, dated September 1, 1920, interest on all of said bonds is payable at the rate of seven per cent. (7%) per annum semi-annually on March 1 and September 1 in each year and the principal thereof is payable September 1, 1930, payment of interest and principal having been assumed by the Lessor in said extension contract.

Pursuant to said extension contract the Lessor may redeem all of said bonds, in whole or in part, on any interest day at par and ten per cent. (10%) premium and accrued interest.

9. A mortgage made December 17, 1877, by The Buffalo and Southwestern Railroad Company (a corporation merged with and into the Lessor) to Elbridge G. Spaulding, as Trustee, Bankers Trust Company now being the successor Trustee.

$1,500,000 principal amount of bonds, dated December 11, 1877, and issued under said mortgage are now outstanding in the hands of the public.

Pursuant to an extension contract of the Lessor, dated July 1, 1918, interest on said bonds is payable at the rate of six per cent. (6%) per annum semi-annually on January 1 and July 1 in each year and the principal thereof is payable July 1, 1928.

Pursuant to said extension contract the Lessor may redeem said bonds on any interest day at par and five per cent. (5%) premium and accrued interest.

10. A mortgage made August 1, 1868, by Newburgh and New York Railway Company to Jay Gould, as Trustee, said Jay Gould being now deceased and no trustee having been appointed to succeed him.

$250,000 principal amount of bonds, dated August 1, 1868, and issued under said mortgage are now outstanding in the hands of the public.

Pursuant to an extension contract of The New York, Lake Erie and Western Railroad Company, a predecessor of the Lessor, dated January 1, 1889, interest on said bonds is payable at the rate of five per cent. (5%) per anunm semi-annually on January 1 and July 1 in each year and the principal thereof is payable January 1, 1929.

11. A mortgage made November 19, 1895, by the Lessor to The State Trust Company of New York, as Trustee, and supplemented by an indenture made June 11, 1908, by the Lessor to Morton Trust Company, as Trustee, Guaranty Trust Company of New York now being the successor Trustee under said mortgage as so supplemented.

$1,000,000 principal amount of Buffalo and Southwestern Division Second Lien Five Per Cent. Gold Bonds of the Lessor, dated July 1, 1908, and issued under said mortgage are outstanding, $63,000 being owned by the public and $937,000 being owned by the Lessor.

Pursuant to an extension contract of the Lessor, dated July 1, 1918, interest on said $63,000 principal amount of said bonds is payable at the rate of five per cent. (5%) per annum semi-annually on January 1 and July 1 in each year and the principal thereof is payable July 1, 1928.

12. A mortgage made December 10, 1895, by the Lessor to The Farmers' Loan and Trust Company, as Trustee, and known as the First Consolidated Mortgage Deed of the Lessor.

There have been issued under said mortgage and are now outstanding—

$35,000,000 principal amount of Prior Lien Bonds of the Lessor interest on which is payable at the rate of four per cent. (4%) per annum semi-annually on January 1 and July 1 in each year and the principal of which is payable January 1, 1996, all of said bonds being held by the public; and

$55,104,000 principal amount of General Lien Bonds of the Lessor interest on which is payable at the rate of four per cent. (4%) per annum semi-annually on January 1 and July 1 in each year and

the principal of which is payable January 1, 1996, of which bonds $35,885,000 are owned by the public and $19,219,000 are owned by the Lessor.

The aforesaid Prior Lien Bonds and General Lien Bonds are entitled to voting rights to the extent set forth in said mortgage.

13. An indenture dated February 1, 1901, and made by the Lessor to The Mercantile Trust Company, as Trustee, Bankers Trust Company now being the successor Trustee.

$34,000,000 principal amount of Fifty-Year 4% Pennsylvania Collateral Gold Bonds of the Lessor issued under said indenture, interest on which is payable at the rate of four per cent. (4%) per annum semi-annually on February 1 and August 1 in each year and the principal of which is payable February 1, 1951, are outstanding.

Of said $34,000,000 bonds, $15,870,000 are held by the public and $18,130,000 are held by J. P. Morgan & Co., as Sinking Fund Trustees, in the sinking fund provided by said indenture.

14. A mortgage made April 1, 1903, by the Lessor to The Standard Trust Company of New York, as Trustee, Guaranty Trust Company of New York now being the successor Trustee, supplemented by an indenture made March 15, 1916, between the Lessor and Guaranty Trust Company of New York, as successor Trustee.

$50,000,000 principal amount of Four Per Cent. Convertible 50-year Gold Bonds of the Lessor, dated April 1, 1903 and issued under said mortgage, interest on which is payable at the rate of four per cent. (4%) per annum semi-annually on April 1 and October 1 in each year and the principal of which is payable April 1, 1953, are outstanding, $40,642,100 being owned by the public and $9,357,900 being owned by the Lessor.

15. A mortgage dated June 29, 1905, and made by Erie and Jersey Railroad Company (a corporation merged with and into the Lessor) to The Standard Trust Company of New York, as Trustee, Guaranty Trust Company of New York, now being the successor Trustee, supplemented by an indenture dated January 2, 1915, between Erie and Jersey Railroad Company and Guaranty Trust Company of New York, as successor Trustee.

$7,102,000 principal amount of bonds issued under said mortgage, interest on which is payable at the rate of six per cent. (6%) per annum semi-annually on January 1 and July 1 in each year and the principal of which is payable July 1, 1955, are outstanding in the hands of the public.

16. A mortgage dated June 1, 1907, and made by Genesee River Railroad Company (a corporation merged with and into the Lessor) to The Standard Trust Company of New York, as Trustee, Guaranty Trust Company of New York now being the successor Trustee, supplemented by an indenture dated January 2, 1915, between Genesee River Railroad Company and Guaranty Trust Company, as successor Trustee.

$5,757,000 principal amount of bonds issued under said mortgage, interest on which is payable at the rate of six per cent. (6%) per annum semi-annually on January 1 and July 1 in each year and the principal of which is payable July 1, 1957, are outstanding in the hands of the public.

17. A mortgage dated December 1, 1916, and a supplement thereto dated April 1, 1918, and made by the Lessor to Bankers Trust Company, as Trustee.

There have been issued under said mortgage—

$15,000,000 Refunding and Improvement Mortgage Bonds, Series A, of the Lessor, interest on which is payable at the rate of six per cent. (6%) per annum on May 1 and November 1 in each year and the principal of which is payable November 1, 1937, all of which are owned by the Lessor; and

$25,000,000 Refunding and Improvement Mortgage Bonds, Series B, of the Lessor, interest on which is payable at the rate of six per cent. (6%) per annum on June 1 and December 1 in each year and the principal of which is payable June 1, 1938, all of which are owned by the Lessor.

(Add list of agreements of pledge for United States Government loans, bank loans and equipment trust agreements.)

AND SUBJECT ALSO to all other existing mortgages and other liens upon and trusts affecting the leased properties or any part thereof, and to all valid contracts, agreements and covenants relating thereto or to any part thereof, and, to the full extent to which the leased prop-

erties are now so subject, to the Lessor's entire funded and other debts, obligations and liabilities, fixed and contingent, whether or not herein specifically mentioned or referred to; the Lessee, its successors and assigns yielding and paying therefor to or for account of the Lessor, its successors and assigns, at the times and in the manner hereinafter provided, the amounts hereinafter specified, and keeping and performing all and singular the covenants and agreements hereinafter set forth to be kept and performed by the Lessee.

And it is hereby further mutually covenanted and agreed by and between the parties hereto as follows:

ARTICLE ONE

Capital Stock of Lessor and Lessee

Section 1. The Lessor covenants that it has an authorized capital stock of Two Hundred Fifty-three Million Dollars ($253,000,000), divided into Two Million Five Hundred Thirty Thousand (2,530,000) shares of the par value of One Hundred Dollars ($100) each, consisting of Four Hundred Eighty Thousand (480,000) shares of First Preferred Stock, of which Four Hundred Seventy-nine Thousand and Forty-four (479,044) shares have been issued and are outstanding in the hands of the public, and the remainder, or Nine Hundred Fifty-six (956) shares, have not been issued; One Hundred Sixty Thousand (160,000) shares of Second Preferred Stock, all of which have been issued and are outstanding in the hands of the public; and One Million Eight Hundred Ninety Thousand (1,890,000) shares of Common Stock, of which One Million One Hundred Twenty-four Thousand Eight Hundred Nineteen (1,124,819) shares have been issued and are outstanding in the hands of the public, and the remainder, or Seven Hundred Sixty-five Thousand One Hundred Eighty-one (765,181) shares have not been issued including Five Hundred Sixty Thousand (560,000) shares reserved for issue upon conversion, on or prior to October 1, 1927, of Twenty-eight Million Dollars ($28,000,000) of Four Per Cent. 50-Year Convertible Gold Bonds, Series D, of which bonds, Nineteen Million Six Hundred Twenty-seven Thousand One Hundred Dollars ($19,627,100) have been heretofore issued by the Lessor and are now outstanding and the remainder are owned by the Lessor and some of which are pledged.

Section 2. The Lessee covenants that it has an authorized capital stock of Three Hundred Forty-five Million Dollars ($345,000,000) divided into Three Million Four Hundred Fifty Thousand (3,450,000) shares of the par value of One Hundred Dollars ($100) each, of which One Million Five Hundred Fifty Thousand Five Hundred (1,550,500) shares are six per cent. (6%) cumulative preferred stock, Series "A" (hereinafter called Preferred Stock, Series "A", of the Lessee), and One Million Eight Hundred Ninety-nine Thousand Five Hundred (1,899,500) shares are Common Stock. Of said authorized capital stock of the Lessee there remains unissued a sufficient number of shares of Preferred Stock, Series "A", and of Common Stock of the Lessee for the purposes set forth in Article Two of this lease which the Lessee is duly authorized to issue for such purposes.

ARTICLE TWO

Covenants of Lessee

The Lessee covenants with the Lessor as hereinafter in this Article Two set forth:

Section 1. (1) To give notice of this lease, promptly after the execution and delivery hereof, to each and every holder of a share or shares of the capital stock of the Lessor, by a notice in writing, setting forth in full this Section 1, a copy of which notice shall be mailed to each such stockholder at his last-known post office address as shown by the records of the Lessor, or, in case no such address shall be so shown, then in care of the Lessor's secretary, and shall be published at least once a week for three successive weeks in one newspaper of general circulation in the City of New York; and (2) to issue at any time within one year from the date of the execution and delivery of this lease, upon demand of holders of shares of the capital stock of the Lessor issued at any time prior to one year from the date of the execution and delivery of this lease and without expense to them (except as hereinafter provided in respect of adjustment of dividends), in exchange for and upon surrender to the Lessee either at its principal office, 1200 Marshall Building, Cleveland, Ohio, or at the office of J. P. Morgan & Co., 23 Wall Street, New York City, of the certificates for the shares of the capital stock of the Lessor held by them respectively, properly endorsed in blank for transfer or accompanied by proper instruments of assignment executed in blank, certificates for shares of the capital stock of the Lessee, upon the following bases:

For each One Hundred (100) shares of First Preferred Stock of the Lessor fifty (50) shares of Pre-

ferred Stock, Series "A", of the Lessee; for each One Hundred (100) shares of Second Preferred Stock of the Lessor, fifty (50) shares of Preferred Stock, Series "A", of the Lessee; and

For each One Hundred (100) shares of Common Stock of the Lessor, forty (40) shares of Common Stock of the Lessee.

The Lessee further agrees to issue, at any time on or before October 1, 1927, to the holders of any Four Per Cent. 50-year Convertible Gold Bonds, Series D, of the Lessor, in exchange for and upon surrender of such bonds in bearer form, with all unmatured coupons attached thereto, shares of the common capital stock of the Lessee at the rate of eight-tenths (8/10) of one share of its said Common Stock for each One Hundred Dollars ($100) principal amount of said convertible bonds so surrendered for exchange.

Should any stockholder of the Lessor or any holder of said convertible bonds of the Lessor be entitled to receive a fraction of a share of stock of the Lessee upon any exchange as aforesaid, a certificate of ownership thereof shall be issued to him. Such certificate shall provide that, when certificates for fractions of shares of stock equal to one or more whole shares shall be presented and surrendered to the Lessee, a certificate for a full share or full shares of its stock, equivalent in amount to the aggregate of such fractions of shares, shall be issued in place thereof, but fractions of shares shall not be entitled to any interest or dividends, nor shall any holder thereof be entitled to vote thereon at any meeting of the Lessee's stockholders or to notice of any such meeting.

All shares of stock and/or bonds of the Lessor received by the Lessee upon any exchange as aforesaid shall become and be the property of the Lessee, to be thereafter held or disposed of by it as it may in its discretion determine.

Upon any exchange of stock as aforesaid there shall be a dividend adjustment as follows, to wit:

It is contemplated that dividends on the Lessee's stock, both Preferred Stock, Series "A", and Common Stock, will be paid on the first days of January, April, July and October for the quarters consisting of the three calendar months next respectively preceding, and that such dividends will be payable to stockholders of record at the close of business on the fifteenth days of November, February, May and August of the quarters for which the dividends are respectively paid.

It is contemplated that dividends on the Lessor's First Preferred Stock and Second Preferred Stock (other than stock of the Lessor owned by the Lessee), if paid, will be paid on the first days of February, May, August and November for the quarters consisting of the three calendar months next respectively preceding, and that dividends on the Lessor's Common Stock (other than stock of the Lessor owned by the Lessee), if paid, will be paid on the first days of January, April, July and October, for the quarters consisting of the three calendar months next respectively preceding, and that such dividends will in each case be payable to stockholders of record at the close of business on the fifteenth day of the month next preceding the date of such dividend payment.

Upon the exchange of any shares of First Preferred Stock or of Second Preferred Stock of the Lessor for Preferred Stock, Series "A", of the Lessee between the close of business on January 15 and February 15, or April 15 and May 15, or July 15 and August 15, or October 15 and November 15, the stockholder shall, as a condition precedent to receiving the certificate for the Lessee's stock as aforesaid, pay to the Lessee, in cash, fifty cents (50c) for each share of the Lessee's stock to be delivered in exchange.

Upon the exchange of any shares of First Preferred Stock or of Second Preferred Stock of the Lessor for Preferred Stock, Series "A", of the Lessee, between the close of business on February 15 and April 15, or May 15 and July 15, or August 15 and October 15, or November 15 and January 15, the Lessee shall, in addition to delivering the certificate for its stock as aforesaid, pay to the stockholder, in cash, One Dollar ($1.00) for each share of the Lessee's stock to be delivered in exchange.

Upon the exchange of any shares of Common Stock of the Lessor for Common Stock of the Lessee between the close of business on December 15 and February 15, or March 15 and May 15, or June 15 and August 15, or September 15 and November 15, there shall be no dividend adjustment.

Upon the exchange of any shares of Common Stock of the Lessor for Common Stock of the Lessee between the close of business on February 15 and March 15, or May 15 and June 15, or August 15 and September 15, or November 15 and December 15, the Lessee shall, in addi-

tion to delivering the certificate for its stock as aforesaid, pay to the stockholder in cash One Dollar and fifty cents ($1.50) for each share of the Lessee's stock to be delivered in exchange.

If the first or fifteenth day of any month shall fall on a Sunday or a legal holiday, the next succeeding business day shall be substituted in the foregoing provisions.

If any change should be made in the dates of dividend payments or in the taking of a record of stockholders for such payments, or in the rate of dividends on stock of the Lessee, the dividend adjustment shall be changed correspondingly.

SECTION 2. (A) In addition to the notice provided for in Section 1 of this Article, to give notice of this lease, within sixty (60) days after the execution and delivery hereof, to each and every holder of a share or shares of the capital stock of the Lessor who shall not theretofore, by vote or otherwise, in person or by proxy, as to his said share or shares, have assented to this lease. Such notice shall be in writing, and shall set forth in full Sections 1 and 2 of this Article, and a copy thereof shall be mailed to each of such stockholders, hereinafter in this Section referred to as "non-assenting stockholders", at his last-known post office address as shown by the records of the Lessor, or, in case no such address shall be so shown, then in care of the Lessor's secretary.

(B) To pay in cash to, or to deposit in cash with the Lessor's treasurer to the credit of, each non-assenting stockholder who shall be dissatisfied with this lease and who shall, at any time within sixty (60) days from the date of the mailing of the notice provided for in part (A) of this Section, signify his dissent and demand payment, pursuant to the provisions of this part (B) of this Section, for his non-assenting share or shares, by notice in writing signed by him and delivered to the Lessee's secretary, upon the surrender and transfer of the certificate or certificates representing his said non-assenting share or shares as hereinafter provided, and in full compromise, settlement and adjustment of all his claims, rights and objections in the premises, and if, but only if, this lease shall have continued and shall then be in full force and effect, the average market value (determined as hereinafter provided) of his said non-assenting share or shares for the six months next preceding the day of the meeting of stockholders of the Lessor at which this

lease was approved, to wit, ..., 1925, without regard to any depreciation or appreciation in consequence of this lease, together with interest on such value at the rate of six per centum (6%) per annum from the effective date of this lease to the date of the payment of the amount of such value and interest to said stockholder, or of the deposit thereof to his credit; *provided, however,* that if the market prices, or any of them, during said period were or shall be abnormally enhanced or depressed in contemplation of the making of this lease or otherwise, evidence other than proof of market sales during that period may be resorted to for the purpose of showing such average market value. After so signifying his dissent and demanding payment, the non-assenting stockholder may not recant his action in this regard or assert any right or avail himself of any remedy whatever except as in this part (B) of this Section provided. If any such non-assenting stockholder and the Lessee cannot agree as to such average market value, computed under the terms and conditions above provided, it shall be determined and fixed, pursuant to said terms and conditions, by three appraisers to be appointed, upon application and notice as hereinafter provided, by the Interstate Commerce Commission or in such manner as said Commission may provide, or, in case said Commission shall fail within thirty (30) days after such application either to appoint such appraisers or to provide the manner of their appointment, then by three appraisers to be appointed by a Judge of the United States District Court for the Southern District of New York.

Any such application may be made either by said non-assenting stockholder or by the Lessee within the times following:

(1) To the Interstate Commerce Commission, within thirty (30) days after said non-assenting stockholder shall have so signified his dissent and demanded payment;

(2) In case said Commission shall fail or refuse to act within thirty (30) days after such application, then, within thirty (30) days thereafter, to said United States District Judge;

and the applying party shall give to the other party at least ten (10) days' written notice of each such application, which notice must specify the time when and the place where such application will be made; but if, at the expiration of any such period of thirty (30) days, the

person in whose name said share or shares shall stand on the books of the Lessor shall not be living or shall be under any disability, his executor, administrator, guardian, committee, conservator, or other proper representative, as the case may be, shall be entitled to make such application within thirty (30) days thereafter upon like notice. If said Judge shall fail within thirty (30) days after such application to him to appoint such appraisers, then such average market value, computed under the terms and conditions above provided, shall be determined and fixed, pursuant to the said terms and conditions, by an appraiser to be selected and designated for the purpose by the non-assenting stockholder, and an appraiser to be selected and designated for the purpose by the Lessee, and a third appraiser to be chosen by these two.

In case either party shall fail to appoint an appraiser within ten (10) days after notice of the appointment of an appraiser by the other party, then the appraiser already appointed may select another appraiser and these two shall choose the third appraiser.

Any vacancy in the board of appraisers occurring by refusal or failure to serve, or otherwise, shall be filled by the remaining member or members of the board.

The appraisers shall be entitled to reasonable compensation for their services and to reimbursement for their necessary and reasonable expenses, and such compensation and expenses shall be paid by the Lessee.

The appraisers shall meet at a time and place to be selected by them and of which ten (10) days' written notice shall be given by them to each party, and, after being duly sworn honestly and faithfully to discharge their duties, they, or any two of them, shall estimate and certify such average market value and deliver one copy of their appraisal to each party. Their appraisal, or that of any two of them, shall be final and conclusive upon both parties.

When the Lessee shall have paid to said non-assenting stockholder the amount of such value, whether determined and fixed by agreement or by appraisal, as aforesaid, together with interest thereon, as hereinbefore provided, or shall have deposited the same to his credit with the Lessor's treasurer, said non-assenting stockholder shall cease to have any title to or interest in said share or shares or in the property of the Lessor, and all such title and interest shall pass to and vest in the Lessee.

As an express condition precedent to receiving payment or withdrawing such deposit said non-assenting stockholder shall deliver to the Lessee his said non-assenting share or shares and the certificate or certificates representing the same, duly endorsed in blank for transfer or accompanied by proper instruments of transfer executed in blank, and said share or shares, together with all rights and interests thereunto belonging and appertaining, including all cash, securities and other benefits accruing to said share or shares from or by reason of this lease, or otherwise, shall thereupon become and be the property of the Lessee.

(C) To buy and pay for, in such amount and manner, the non-assenting share or shares of any such non-assenting stockholder who shall not have elected to make settlement pursuant to the foregoing part (B) of this Section, as may be finally ordered, adjudged, decreed or determined by the order, judgment, decree or determination of any court, commission or other tribunal, state or federal, of competent jurisdiction, and to hold the Lessor, its directors, officers, agents and employees, harmless against any payment, claim or liability which may be so ordered, adjudged, decreed, or determined and the costs and expenses of any such litigation; *provided, however,* that the Lessee, at its own cost and expense, shall have the right, which is hereby expressly reserved, to remove, pursuant to the statutes in such case made and provided, any action, suit or proceeding instituted by such stockholder, from the court or tribunal in which the same shall be pending to any other court or tribunal, state or federal, and to procure the review or enjoin the enforcement of any such order, judgment, decree or determination either by appeal, writ of error, certiorari, suit in equity or otherwise, pursuant to law and the statutes in such case made and provided, by any court or tribunal, state or federal, having jurisdiction to review or enjoin the enforcement of the same; and *provided, further,* that nothing herein contained shall require the Lessee to buy any such share or shares or to make any such payment as long as the Lessee in good faith and by appropriate legal proceedings shall contest the validity of or seek to review any such order, judgment, decree or determination, and that nothing in this Section shall be construed to create any right, obligation or presumption in favor of any non-assenting stockholder or any other person who shall not elect, subscribe to and be governed by the provisions of said part (B) of this Sec-

tion, it being the true intent and purpose of all provisions of this Section in respect of non-assenting stockholders that no covenants, agreements or arrangements herein shall be construed as creating any right against or obligation on the part of the Lessee or the Lessor, or any presumption of any such right or obligation, except as in part (B) of this Section expressly provided, and except the contingent obligation of the Lessee to the Lessor provided in this part (C) of this Section. Except where non-assenting stockholders shall accept and elect and be governed by the provisions of part (B) of this Section, the Lessee shall be free to deny or contest in good faith, not only the amount but the liability to any or all dissenting or non-assenting stockholders, and to any or all classes of such stockholders.

(D) Anything hereinbefore in this Section to the contrary notwithstanding, no non-assenting stockholder of the Lessor who shall, separately or in conjunction with any other stockholder or stockholders of the Lessor, either in his or their own name or names, or otherwise, institute or cause to be instituted, or voluntarily shall become, by intervention or otherwise, a party to, any action, suit or other proceeding in or before any court, commission or tribunal, state or federal, for the purpose of enjoining or otherwise preventing the authorization, approval, execution or delivery of this lease, or of voiding or setting aside this lease, or of recovering the value of his or their share or shares of stock of the Lessor or of asserting any claim or objection in respect thereof except as provided by part (B) of this Section, shall have any rights, privileges or powers whatsoever under this Section, it being the true intent and purpose of all of the provisions of this Section in respect of non-assenting stockholders that any such stockholder who shall be dissatisfied with this lease may elect the exclusive right or remedy under part (B) of this Section which he shall desire to assert or invoke in the premises or be remitted to the remedies, if any, provided by law, and such election shall be irrevocable and exclusive.

SECTION 3. To pay to the Lessor, from time to time, at the office of the Lessor in the Borough of Manhattan, City and State of New York, in funds current at the New York Clearing House, the amounts in this Section set forth as hereinafter in this Section provided, that is to say:

(1) During the first year of the continuance of this lease, in case of the payment of any dividend, for

any quarterly or other period, at the rate of six per centum (6%) per annum upon the Preferred Stock, Series "A", of the Lessee, to pay to the Lessor an amount equal to a dividend for the same period at the rate of three per centum (3%) per annum (and in case of the payment of any dividend at the rate of less than six per centum (6%) per annum upon said Preferred Stock, Series "A", to pay to the Lessor a proportionately less amount) upon each share of the First Preferred Stock of the Lessor outstanding and not at the date of such payment owned by the Lessee and registered on the books of the Lessor either in the name of the Lessee or in the name of a nominee of the Lessee of which written notice shall have been given to the Lessor.

(2) At the end of the first year of the continuance of this lease, to pay to the Lessor an amount equal to three per centum (3%) on the par value of each share of the First and Second Preferred Stocks of the Lessor outstanding and not at the date of such payment owned by the Lessee and registered on the books of the Lessor either in the name of the Lessee or in the name of a nominee of the Lessee of which written notice shall have been given to the Lessor, plus an amount equal to two and four-tenths per centum (2.4%) on the par value of each share of the Common Stock of the Lessor outstanding and not at the date of such payment owned by the Lessee and registered on the books of the Lessor either in the name of the Lessee or in the name of a nominee of the Lessee of which written notice shall have been given to the Lessor, less, however, a sum equal to the product of the number of shares of First Preferred Stock of the Lessor outstanding, and not at the time of payment under this paragraph (2) owned by the Lessee and registered on the books of the Lessor, either in the name of the Lessee or in the name of a nominee of the Lessee of which written notice shall have been given to the Lessor, multiplied by the number of dollars per share paid to the Lessor under the foregoing paragraph (1) in respect of a share of First Preferred Stock of the Lessor which was not, during the first year of the continuance of this lease, owned by the Lessee; *provided, however,* that the amounts to be paid under this paragraph in respect of the First and Second Preferred Stocks of the Lessor shall be proportionately decreased in the case of payments of dividends at less than the rate of six per centum (6%) per annum upon the

Preferred Stock, Series "A", of the Lessee during the first year of this lease, and the amounts to be paid under this paragraph in respect of the Common Stock of the Lessor shall be proportionately increased or decreased in case of payments of dividends at more or less than six per centum (6%) upon the Common Stock of the Lessee during the first year of this lease.

(3) After the first year of the continuance of the lease, in case of the payment of any dividend, for any quarterly or other period, at the rate of six per centum (6%) per annum upon the Preferred Stock, Series "A", of the Lessee, to pay to the Lessor an amount equal to a dividend for the same period, at the rate of three per centum (3%) per annum (and, in the case of the payment of any dividend at the rate of more or less than six per centum (6%) per annum upon said Preferred Stock, Series "A", to pay to the Lessor a proportionately greater or less amount, as the case may be) upon each share of First Preferred Stock and of Second Preferred Stock of the Lessor outstanding and not, at the date of such payment owned by the Lessee and registered on the books of the Lessor either in the name of the Lessee or in the name of a nominee of the Lessee of which written notice shall have been given to the Lessor.

(4) After the first year of the continuance of the lease, in the case of the payment of any dividend, for any quarterly or other period, at the rate of six per centum (6%) per annum upon the Common Stock of the Lessee, to pay to the Lessor an amount equal to a dividend for the same period at the rate of two and four-tenths per centum (2.4%) per annum (and in case of payment of any dividend of more or less than six per centum (6%) per annum upon said Common Stock, to pay to the Lessor a proportionately greater or less amount, as the case may be) upon each share of Common Stock of the Lessor outstanding and not at the date of such payment owned by the Lessee and registered on the books of the Lessor either in the name of the Lessee or in the name of a nominee of the Lessee of which written notice shall have been given to the Lessor.

Payment of the amounts to be paid by the Lessee as provided in the foregoing paragraphs (1) and (3) shall be made by the Lessee concurrently with the payment by it of dividends on its Preferred Stock, Series "A"; and the obligation of the Lessee to make the payments referred to in said paragraphs (1) and (3) shall rank *pari passu* with its obligation to pay dividends on said Preferred Stock, Series "A". Payment of the amounts to be paid by the Lessee as provided in the foregoing paragraph (4) shall be made by the Lessee concurrently with the payment by it of dividends on its Common Stock; and the obligation of the Lessee to make the payments referred to in said paragraph (4) shall rank *pari passu* with its obligation to pay dividends on its Common Stock.

The Lessee hereby waives, as to any shares of the capital stock of the Lessor owned by the Lessee and registered on the books of the Lessor either in the name of the Lessee or in the name of a nominee of the Lessee of which written notice shall have been given to the Lessor at the date of each and every payment made by the Lessee to the Lessor as provided in the foregoing paragraphs (1), (2), (3) and (4), all right to participate as a stockholder of the Lessor in any dividend or distribution which may be paid by the Lessor as a result or by reason of such payment. For all other purposes and in all other respects, the Lessee shall have all rights of a stockholder with respect to stock of the Lessor at any time owned by the Lessee.

No payment shall be due to the Lessor from the Lessee at any time in respect of stock of the Lessor held in the Lessor's treasury.

Nothing herein contained shall restrict the Lessee from creating and/or issuing, at any time, additional shares of its capital stock, Preferred and/or Common, whether of the classes now authorized or of any class or classes hereafter created. If either the Preferred Stock, Series "A", or the Common Stock of the Lessee should be exchanged or converted as a class into stock of a consolidated or other successor corporation or into stock of the Lessee of other classes, the amount of dividends on the share or shares issued upon any such exchange or conversion for a share of Preferred Stock, Series "A", or of Common Stock of the Lessee shall be substituted as the basis for computation and adjustment of rental in place of the dividends upon the Preferred Stock, Series "A", or Common Stock of the Lessee above specified in this Section as the basis for computation and adjustment of rental; and if either the Preferred Stock, Series "A", or the Common Stock of the Lessee should be retired or cancelled as a whole without substitution of other shares

therefor, then the rental payments thereafter shall be the amounts which the Lessee would be required to pay under the provisions of this Section if such stock were still outstanding and dividends at the rate of six per centum (6%) per annum were being paid thereon, quarterly.

SECTION 4. To pay to or upon the written order of the Lessor, on the first day of each month during the continuance of this lease, such sums as may from time to time be necessary to maintain and preserve the corporate existence of the Lessor, with such organization as may be necessary for the purposes of the Lessor under this lease; also such sums as will enable the Lessor to provide for and pay all necessary expenses and disbursements in connection with any and all acts, steps or things required to be done by or on behalf of the Lessor pursuant to any of the provisions of this lease or in enforcing the provisions of this lease or required by law or by any public authority. The amounts so to be paid shall be determined by agreement between the boards of directors of the Lessor and the Lessee and shall remain in force until changed by agreement of said boards of directors. In case of disagreement as to the amount necessary to be paid at any time, the matter shall be referred to arbitration in the manner provided in Article Eight of this lease and the Lessor and the Lessee shall abide by the result of such arbitration.

To pay the amounts necessary to maintain and preserve the corporate existence of the companies listed in Appendix "A", which is hereby made a part of this lease, whenever such companies shall be without funds for such purpose, or other provision therefor is not made; but with the consent of the board of directors of the Lessor this obligation may cease and determine in whole or in part.

SECTION 5. From time to time, to pay and discharge, or to cause to be paid and discharged, as and when the same become due and payable, all lawful taxes, assessments and governmental charges which, prior to the effective date of this lease, may have been, or which, during the continuance of this lease, may be, lawfully levied, imposed or assessed upon the Lessor or upon the properties of the Lessor leased hereunder or upon the companies or properties of the companies listed in Appendix "B", which is hereby made a part of this lease, whenever such companies shall be without funds for such purpose, or other provision therefor is not made (including in the foregoing all

obligations arising out of so-called "tax free" covenants in bonds, mortgages, equipment trusts and similar obligations), or upon or in respect of the earnings or income of any such companies or properties or upon or in respect of the amounts payable by the Lessee under this lease, including specifically, but without in any manner limiting the foregoing, all income and/or excess profits taxes so levied, imposed or assessed by the United States or by any state thereof or by the Dominion of Canada or by any province thereof or by any other foreign country, but not including any tax or taxes payable by any stockholder of the Lessor, or, in respect of any of the companies listed in Appendix "B", by any stockholder, other than the Lessor, of any of such companies listed in said Appendix "B".

With the consent of the board of directors of the Lessor the obligation of this Section 5 with respect to the companies listed in Appendix "B" may cease and determine in whole or in part.

SECTION 6. From time to time, to pay, or to cause to be paid, as and when such interest shall become due and payable, amounts equal to all interest which during the continuance of this lease may become due and payable or shall accrue (1) upon any and all bonds, notes and other obligations and evidences of indebtedness heretofore issued, incurred or assumed by the Lessor and now outstanding, (2) upon any and all other bonds, notes and other obligations and evidences of indebtedness which may at any time hereafter be issued by the Lessor as provided in Section 4 of Article Four of this lease, and (3) upon any and all bonds, notes and other obligations and evidences of indebtedness heretofore issued, incurred or assumed by the companies listed in Appendix "B", whenever such companies shall be without funds for such purpose or other provision therefor is not made, during the time when and so long as the properties of said companies shall be operated by the Lessee as part of the Lessor's transportation system. Such payments at the option of the Lessee may be made either to the Lessor or to the obligees of such securities. With the consent of the board of directors of the Lessor the obligation of this Section 6 with respect to companies listed in Appendix "B" may cease and determine in whole or in part.

SECTION 7. From time to time to pay, or to cause to be paid, as and when the same become due and payable, all rentals and other charges which, during the continuance

of this lease, may become due and payable or shall accrue under any lease or any traffic, trackage or operating contract, or under any other contract of whatsoever kind, heretofore entered into or assumed or accepted by the Lessor, or by any of the companies listed in Appendix "B", and now in force, or which may at any time hereafter be entered into by the Lessor, or by any of the companies listed in Appendix "B", with the approval of the Lessee, but this obligation with respect to the companies listed in Appendix "B" shall continue during the time when and only as long as the properties of the companies listed in Appendix "B" shall be operated by the Lessee as part of the Lessor's transportation system; *provided, however,* that the Lessee shall have the right, subject to the provisions of existing mortgages, to secure the modification, amendment or abrogation of any such lease or of any such traffic, trackage, operating or other contract in any proper or lawful way and to use the name and powers of the Lessor and of any of the companies listed in Appendix "B" for any such purpose, *provided,* that the general integrity and continuity of the transportation system of the Lessor shall not in any event be impaired thereby without the consent of the Lessor's board of directors.

SECTION 8. To insure and keep insured, during the continuance of this lease, the buildings and other structures, rolling stock and other equipment (including floating equipment), tools and machinery and all other property appurtenant to the leased properties usually insured by railway companies and in the same manner and to the same extent, and to cause each of the companies listed in said Appendix "B" to insure and keep insured, during the continuance of this lease, the property of such company usually insured by companies of like character, and in the same manner and to the same extent. With the consent of the board of directors of the Lessor the obligations of this Section 8 with respect to the companies listed in Appendix "B" may cease and determine in whole or in part; and with like consent the obligations of this Section 8 may also cease and determine in whole or in part, with respect to the Lessor, in case the Lessee shall at any time establish and maintain an insurance fund or make any other provision then customary among railway companies for self insurance.

SECTION 9. To keep, perform and observe, or to cause to be kept, performed and observed, during the continuance of this lease, all the valid covenants, terms and conditions

to be kept, performed and observed by the Lessor or by the companies listed in Appendix "B" contained in any and all mortgages, trust agreements, leases and traffic, trackage and operating contracts, and under any other contracts of whatsoever kind, heretofore entered into or assumed or accepted by the Lessor or by the companies listed in Appendix "B" and now in force, or which may at any time hereafter be entered into by the Lessor or by the companies listed in Appendix "B" with the approval of the Lessee, as fully as the Lessor or any of the companies listed in Appendix "B" is bound to keep, perform and observe the same; *provided, however,* that the Lessee shall have the right, subject to the provisions of existing mortgages, to secure the modification, amendment or abrogation of any such lease, or of any such traffic, trackage, operating or other contract in any proper and lawful way and to use the name and powers of the Lessor and of any such companies for any such purpose, *provided* that the general integrity and continuity of the transportation system of the Lessor shall not in any event be impaired thereby without the consent of the Lessor's board of directors.

SECTION 10. To pay, satisfy and discharge, or to cause to be paid, satisfied and discharged, duly and punctually, all current obligations and liabilities of the Lessor and of the companies listed in Appendix "B" existing at the effective date of this lease.

SECTION 11. To indemnify and save harmless the Lessor and the companies listed in Appendix "B" of and from any and all losses, expenses, costs, damages, claims and demands whatsoever existing at the effective date of this lease or which at any time during the continuance of this lease may arise out of the operation or maintenance of the leased properties, or of the properties of companies listed in Appendix "B", or any part thereof, or by reason of any omission on the part of the Lessee, its agents or employees, to perform any duty, act or thing required by law or by this lease to be performed in or about the maintenance or operation of the same; and, generally, in respect of the leased properties and the properties of companies listed in Appendix "B", and the maintenance, management and operation thereof during the continuance of this lease, to observe, perform and fulfill all duties and obligations which now rest or may hereafter be imposed upon the Lessor or upon the companies listed in Appendix "B" under or by virtue of law or otherwise to the same extent and effect as the Lessor

or said companies would be compelled to observe, perform and fulfill such duties and obligations if this lease had not been made; and to defend, without expense to the Lessor or said companies, any and all actions, suits and proceedings now pending, or which during the continuance of this lease shall be brought, against the Lessor or against any of said companies upon causes of action accruing prior to the effective date of this lease or as the result of anything done by the Lessee or at the Lessee's request during the continuance of this lease. But the obligations of this Section 11 with respect to the companies listed in Appendix "B" shall continue during the time when and only as long as the properties of the companies listed in Appendix "B" shall be operated by the Lessee as part of the Lessor's transportion system; and with the consent of the board of directors of the Lessor the obligations of this Section 11 with respect to the companies listed in Appendix "B" may cease and determine in whole or in part.

SECTION 12. To maintain, keep and preserve, at all times during the continuance of this lease, in as good state and condition as when received, and at its own proper cost and without expense to the Lessor, all of the physical properties hereby leased and, during the period that such properties shall be operated by the Lessee, all of the physical properties of companies which at the time may be operated by the Lessee as part of the Lessor's transportation system, except such parts thereof as may be sold or otherwise disposed of, abandoned or retired as in this lease provided; and to comply with all valid orders of public authorities in connection with the operation and maintenance of such properties. Whenever during the continuance of this lease any of the rolling stock or other equipment (including floating equipment) turned over to the Lessee under this lease, or any replacement thereof, shall be damaged or destroyed or shall otherwise become unfit for the use for which it was intended, the Lessee at its own cost and expense shall cause the same to be repaired, renewed, replaced or rebuilt, or, if such repair, renewal, rebuilding or replacement in kind shall in the opinion of the Lessee be inexpedient, then the Lessee shall replace such rolling stock or other equipment (including floating equipment) by other rolling stock or other equipment (including floating equipment) of a value equal to the value, at the effective date of this lease, of that not so replaced in kind, and all such new rolling stock and other equipment (including floating equipment) shall thereupon be and become the property of the Lessor, but subject to

this lease, and the Lessee shall not be entitled to be reimbursed by the Lessor for the cost of any such repair, renewal, rebuilding or replacement, anything in this lease contained to the contrary notwithstanding. If, during the continuance of this lease, any part or parts of the physical properties hereby leased or of the physical properties of companies controlled by the Lessor and which at the time may be operated by the Lessee as a part of the Lessor's transportation system, other than rolling stock and other equipment (including floating equipment), shall be sold, or otherwise disposed of, abandoned or retired by the Lessee, the Lessee shall account to the Lessor at the termination of this lease for the original cost, estimated if not known, of the same.

SECTION 13. To furnish annually to the Lessor, on or before May 1 in each year, commencing May 1, 1926, a detailed list of rolling stock and other equipment (including floating equipment) owned by the Lessor and leased to the Lessee on the preceding December 31, showing the number of units, capacity, tractive power and book value thereof.

SECTION 14. To permit the Lessor from time to time, but not oftener than once in any twelve (12) months, to make such reasonable inspection of the leased properties and of the books and records of the Lessee relating thereto as the Lessor shall desire.

SECTION 15. To operate and develop, or to cause to be operated and developed, to its best ability, by itself or through others, the leased properties and the properties of companies listed in Appendix "B" which are operated by the Lessee as part of the Lessor's transportation system at all times during the continuance of this lease; *provided, however,* that with the consent of the board of directors of the Lessor, this obligation with respect to the companies listed in Appendix "B" may cease and determine in whole or in part.

SECTION 16. At the expiration or termination (otherwise than as provided in Article Five) of this lease, to return to the Lessor the leased properties and the properties of companies listed in Appendix "B" which shall be operated by the Lessee at the time as part of the Lessor's transportation system, received by the Lessee, with such extensions, improvements, additions and betterments as shall have been made thereto, subject to the provisions of Article Seven hereof.

ARTICLE THREE

Covenants of the Lessor

The Lessor covenants with the Lessee as hereinafter in this Article Three set forth:

Section 1. To preserve, or extend, or renew, and maintain, during the continuance of this lease, to the extent of its rights and powers, its corporate existence, with such organization as may be necessary for its purposes under this lease, and, to that end, from time to time to comply with whatever is or may be required of it by law, and to take all necessary proceedings for that purpose.

Section 2. At any and all times during the continuance of this lease, upon the written request and at the expense of the Lessee, to exercise and put in force each and every corporate power and franchise and do each and every corporate act necessary, proper or desirable to carry out the provisions of this lease and to enable the Lessee to avail itself of and to use, exercise and enjoy the leased properties, and the proceeds, rents, issues and profits thereof, and the rights, powers, privileges and franchises hereby granted in respect thereof; and, to the extent of its rights and powers, to execute, acknowledge and deliver to the Lessee such other and further instrument or instruments in writing, and under the corporate seal of the Lessor, as may be necessary, proper or desirable better and more effectively to confirm and secure to the Lessee, its successors and assigns, the leased properties, and the proceeds, rents, issues and profits thereof, upon the terms and conditions in this lease expressed or intended and so to carry into effect the intent and meaning of this lease in relation thereto.

Section 3. At any time and from time to time during the continuance of this lease, upon the written request and at the expense of the Lessee, to take all such lawful and proper measures and proceedings and do and perform, to the extent of its rights and powers, such lawful acts and things, as may be necessary, proper or desirable for the acquisition or procurement, by condemnation or otherwise, of any land, properties, privileges or franchises needed for or useful in the operation of the leased properties, or in connection therewith, or as may be necessary, proper or desirable to facilitate in any respect the increase, completion or improvement thereof, or of their capacity, by extension, enlargement, addition, or otherwise, or the more convenient, safe or profitable use or operation thereof, or for the protection and preservation of the same and of the rights and franchises connected therewith, or for maintaining the Lessee in the full and free enjoyment, during the continuance of this lease, of the leased properties and their appurtenances and proceeds and said rights and franchises.

Section 4. If hereafter it shall appear to the Lessee that the line or lines, route or routes, grade or grades of the railroads of the Lessor's transportation system, as theretofore adopted, or any of them, can, by a change thereof, be improved (provided always that the general integrity and continuity of the transportation system of the Lessor shall not in any event be impaired thereby without the consent of the board of directors of the Lessor), to take or cause to be taken from time to time, to the extent of its rights and powers, upon the written request and at the expense of the Lessee, such proceedings as may be deemed necessary by the Lessee for that purpose and to acquire, as hereinbefore provided, any and all additional lands, rights and privileges requisite for the purpose of making such changes.

Section 5. Upon the written request and at the expense of the Lessee, from time to time, to institute and prosecute in its own or other proper name any and all proper proceedings for the purpose of acquiring the right to cross, intersect or connect with any and all other railroads, rivers, canals, other waters, or public highways or properties, which it shall or may become necessary or desirable to cross, intersect or connect with, in connection with the operation of the Lessor's transportation system, or improvement or extension thereof.

Section 6. That the Lessee shall have the right and power, at all times during the continuance of this lease, to extend, enlarge, add to, improve or better the railroads and other physical properties hereby leased and the physical properties of companies which at the time may be operated by the Lessee as part of the Lessor's transportation system, or any of them, in such manner and to such extent as the Lessee may deem desirable.

Section 7. The capital expenditures made by the Lessee under the provisions of Sections 3, 4, 5 and 6 of this Article shall be at the expense of the Lessee; but the Lessee shall be entitled to reimbursement therefor by the Lessor to the extent and otherwise as provided in Article Four of this lease.

SECTION 8. That the Lessee shall, at all times during the continuance of this lease, have all the rights and powers of the Lessor to arrange, use and control the leased properties and the properties of companies at the time operated by the Lessee as part of the Lessor's transportation system, and the proceeds thereof, and to regulate and determine the rates of tolls, freight and charges of transportation over the whole or any part thereof, and to charge and collect the same and appropriate the same to its own use; and shall have, hold, use, exercise and enjoy all rights, powers, privileges and franchises now possessed or which may hereafter be acquired by the Lessor, necessary or convenient to the use, possession, enjoyment, management, betterment, extension or operation of all such properties and their appurtenances, proceeds, rents, issues and profits, as herein provided, which can or may be lawfully exercised or enjoyed on or about or in connection with all such properties, or any part thereof, or their appurtenances, proceeds, rents, issues or profits, or the use, maintenance, betterment, extension or operation of the same.

SECTION 9. That the Lessee may, from time to time during the continuance of this lease and while it is not in default hereunder, subject to the provisions in respect of accounting contained in Article Seven, use, consume, abandon, retire, sell or otherwise dispose of any line or lines of railway and any worn-out or disused material, equipment, or other tangible personal property not required for the proper operation and maintenance of the leased properties or of properties of companies at the time operated by the Lessee as part of the Lessor's transportation system, and any lands, buildings or structures no longer required for such operation and maintenance, so far as such powers may be exercised in conformity with law and the provisions of any mortgages or other liens affecting any such property, and that it will from time to time during the continuance of this lease, upon the written request and at the expense of the Lessee, if any such property is subject to lien, cause such resolutions to be adopted and make such requests and do such other things as may be reasonably requested by the Lessee for the purpose of causing any such property to be released from the lien or liens to which the same is subject; *provided, however,* that the proceeds of any real property so sold or disposed of, except as otherwise provided in any such mortgage, shall be expended by the Lessee for improvements, betterments or additions of or to the railroads or other physical properties hereby leased, or some portion thereof, or of or to the physical properties of any such operated company of the Lessor as the case may be; and *provided further,* that the general integrity and continuity of the transportation system of the Lessor shall in no event be impaired by the exercise of any of such rights, powers and privileges by the Lessee unless the exercise thereof by the Lessee in the particular case shall have been approved by the board of directors of the Lessor; and *provided further,* that without the consent of the board of directors of the Lessor, the Lessee shall not abandon, retire, sell or otherwise dispose of any line or lines of railway without replacement.

SECTION 10. To permit, at any and all reasonable times, such person or persons as the Lessee may designate to inspect the books and records of the Lessor for any purpose whatsoever.

SECTION 11. That if the Lessee shall at any time request the Lessor, in writing, to do any act required to be done by the Lessor under this lease and the Lessor shall fail or neglect to initiate the necessary steps to carry out such request within a period of ninety (90) days after such request shall have been received by it or shall thereafter fail or neglect to prosecute the same with reasonable diligence, the act so required to be done by the Lessor may be done by the Lessee, or its officers or agents, either in its name or in the name and as the act of the Lessor, and the Lessee may, for its own use and benefit, use the name, franchises and corporate powers of the Lessor for such purpose, provided that nothing herein contained shall affect or limit the exercise by the board of directors of the Lessor of any discretionary right or power by this lease reserved to or vested in said board of directors.

SECTION 12. The Lessee may use the name, franchises and corporate powers of the Lessor in commencing, prosecuting or defending any and all actions, suits and other legal proceedings as may, in the opinion of the Lessee, be necessary, proper or desirable to enable it to assert or maintain, or to defend or protect against invasion or injury, any right, franchise or privilege of the Lessor in reference to the leased properties or the properties of companies controlled by the Lessor and at the time operated by the Lessee as part of the Lessor's transportation system, or the use, maintenance, extension or operation thereof.

ARTICLE FOUR

Covenants Relating to Capital Assets and Liabilities

Section 1. The shares of stock, bonds and other securities mentioned and described in clauses Fifth and Sixth of the granting clauses of this lease, and any shares of stock, bonds and other securities which may at any time be acquired by the Lessor either in exchange or substitution for the shares of stock, bonds and other securities mentioned and described in said clauses Fifth and Sixth, or in addition thereto, or otherwise, shall not, except as in this Article provided, be delivered to the Lessee, but the Lessee shall, nevertheless, in respect of any and all such shares of stock, bonds and other securities, be entitled, from time to time, during the continuance of this lease, and so long as the Lessee is not in default hereunder, and subject to the terms and provisions of any mortgages, deeds of trust or other instruments affecting or relating to any such shares of stock, bonds or other securities, have and exercise the rights and powers in this Section set forth, that is to say:

(1) The Lessee shall be entitled to receive all of the current dividends, interest and income upon such shares of stock, bonds and other securities, and the Lessor shall, from time to time, execute and deliver any and all such orders for the payment of any such dividends, interest and income as may be necessary to enable the Lessee to receive the same.

(2) The Lessee shall be entitled to vote upon such shares of stock and other securities having voting rights for the election of directors and for all other purposes not inconsistent with the provisions of this paragraph (2) or with the provisions of Section 6 of Article Two of the First Consolidated Mortgage of the Lessor to The Farmers' Loan and Trust Company, Trustee, dated December 10, 1895 (so far as such mortgage shall relate thereto), and the Lessor shall, from time to time, execute and deliver any and all such proxies and other instruments as may be necessary to enable the Lessee to vote as aforesaid. Except with the approval of the board of directors of the Lessor, the right of the Lessee to vote upon any such shares of stock or other securities having voting rights shall not be exercised to authorize any increase of capital stock or other change of capitalization, creation of funded debt, mortgage, lien or other charge (except purchase

money mortgages and renewals or extensions of previously existing indebtedness, mortgages, liens or other charges) or any sale, lease, merger or consolidation; but, with the approval of the board of directors of the Lessor, the Lessee shall be entitled to vote upon any such shares of stock or other securities having voting rights for any of the purposes aforesaid.

(3) With the approval of the board of directors of the Lessor, but not otherwise, any such shares of stock, bonds and other securities may, from time to time, be sold, exchanged, mortgaged, pledged or otherwise disposed of by the Lessee.

(4) Any and all amounts which may at any time be or become payable or distributable upon any such shares of stock, bonds or other securities otherwise than as ordinary current dividends, interest and income, and which shall represent any payment or distribution of or on account of capital or principal (including any stock dividends which may at any time be declared and paid upon any such shares of stock) and any and all proceeds of the sale, exchange, mortgage, pledge or other disposition of any such shares of stock, bonds or other securities, shall, except as and to the extent that the board of directors of the Lessor may, from time to time, otherwise determine, be collected and received by the Lessor but subject to this lease and as a part of the leased properties, and any and all amounts of the character in this paragraph (4) specified shall be applied in such manner and for such purposes as may from time to time be approved by the board of directors of the Lessor upon the written request of the Lessee.

Section 2. Any shares of stock of the Lessor and any bonds and other securities of the Lessor held by it in its treasury upon the effective date of this lease shall form a part of the leased properties but shall not be delivered to the Lessee. The possession of such shares, bonds or other securities shall be retained by the Lessor and such shares, bonds or other securities or their proceeds shall be applied in such manner and for such purposes as may from time to time be approved by the board of directors of the Lessor upon the written request of the Lessee. With the approval of the board of directors of the Lessor, but not otherwise, any such shares of stock, bonds or other securities may, from time to time, be sold, exchanged, mortgaged, pledged or

otherwise disposed of by the Lessee. All discounts, costs and expenses in connection with the issue or sale of any such shares of stock, bonds or other securities shall be borne by the Lessee without any charge to the Lessor for any part of any such discounts, costs or expenses.

SECTION 3. All additions, improvements, betterments and extensions of or to the leased properties or of or to properties of companies controlled by the Lessor and at the time operated by the Lessee as part of the Lessor's transportation system and all property represented by capital expenditures upon all such properties made by the Lessee during the continuance of this lease shall become and be the property of the Lessor and a part of the leased properties or the property of the company upon whose properties such additions, improvements, betterments, extensions or other capital expenditures shall have been made, subject to the terms and provisions of this lease and of any mortgages, deeds of trust or other instruments relating thereto. The Lessee shall be entitled to reimbursement, as provided in this lease, for the amount of the actual cost to it of any such additions, improvements, betterments, extensions or other capital expenditures made by the Lessee as aforesaid to the extent, but only to the extent, that the making of such additions, improvements, betterments, extensions or other capital expenditures and the amount thereof shall have been approved by the board of directors of the Lessor, either before or after such addition, improvement, betterment, extension or other capital expenditure shall have been made. Such reimbursement shall be by the issue by the Lessor to the Lessee of shares of stock and/or bonds and/or other securities as the Lessee shall elect as provided in Section 4 of this Article, and/or at the option of the Lessee by the application in whole or in part of the amount of such expenditures as a credit or offset to any indebtedness of the Lessee to the Lessor upon the termination of this lease up to but not exceeding the amount of such indebtedness of the Lessee to the Lessor.

SECTION 4. The Lessee shall pay, satisfy and discharge, or cause to be paid, satisfied and discharged. or shall renew, extend or refund, or cause to be renewed, extended or refunded, as and when the same become due and payable, the principal of (1) any and all bonds and other capital obligations and evidences of indebtedness and liabilities heretofore issued, incurred or assumed by the Lessor or by the companies listed in Appendix "B"

and now outstanding, including the Ten Million Dollars ($10,000,000) of Two-Year 5% Secured Gold Notes of the Lessor secured by a collateral indenture dated July 1, 1924, and (2) any and all bonds and other capital obligations and evidences of indebtedness and liabilities which may from time to time hereafter be issued, incurred or assumed by the Lessor as provided in this Section; *provided, however*, that with the consent of the board of directors of the Lessor, the foregoing obligations of this Section 4, with respect to companies listed in Appendix "B", may cease and determine in whole or in part. For the purpose of paying, redeeming or otherwise acquiring, or of renewing, extending or refunding, any or all such bonds or other capital obligations and evidences of indebtedness or liabilities, before, at or after the maturity thereof, or for the purpose of reimbursing the Lessee for the cost to it of any such payment, redemption, acquisition, renewal, extension or refunding, or for the purpose of reimbursing the Lessee for the cost of any capital expenditures made by the Lessee for which it may be entitled to reimbursement as provided in Section 3 of this Article, the Lessor, from time to time during the continuance of this lease, will, to the extent of its corporate powers and subject to any necessary governmental approval, upon the written request of the Lessee, make, execute, issue and deliver to the Lessee such shares of stock of such class or classes and/or such bonds or other securities in such amounts, bearing such rates of dividend or interest, payable at such times and secured in such manner in respect of the leased properties, as the Lessee may determine and as may be approved by the board of directors of the Lessor upon the written request of the Lessee, and such mortgages, deeds of trust and other instruments as the Lessee may determine and as may be approved by the board of directors of the Lessor upon the written request of the Lessee to be necessary or desirable to secure the payment of any such bonds or other securities, or the Lessor shall otherwise obligate itself in such manner as the Lessee may determine and as the board of directors of the Lessor may approve upon the written request of the Lessee. In case any renewal or extension of any bonds or other obligations or evidences of indebtedness can be procured by the Lessee, the Lessee may arrange with the holders thereof for such renewal or extension, and from time to time, upon the written request of the Lessee, the Lessor will, to the extent of its corporate powers and subject to any necessary governmental approval, execute any and all agreements and

do any and all acts approved by the board of directors of the Lessor upon the written request of the Lessee which may be necessary or desirable to effect any such renewal or extension. All shares of stock, bonds and other obligations and evidences of indebtedness which may at any time be issued by the Lessor as provided in this Section, and the proceeds of all such shares of stock, bonds and other obligations and evidences of indebtedness, shall be devoted solely to the purposes in this Section stated. All shares of stock, bonds, obligations and other evidences of indebtedness which may be issued by the Lessor, as provided in this Section, shall be accepted by the Lessee at the par or face value thereof, or if the same shall have no par or face value, then at such value as may be agreed upon between the Lessor and the Lessee, and all discounts, costs and expenses in connection with the issue and sale of any such shares of stock, bonds or other obligations or evidences of indebtedness, shall be borne by the Lessee without any charge to the Lessor for any part of such discounts, costs or expenses.

SECTION 5. Any saving, benefit or advantage resulting from any refunding, retirement or rearrangement of the securities, obligations or undertakings of the Lessor, or otherwise, during the continuance of this lease, shall inure to the benefit of the Lessee, during such continuance of this lease, without obligation on the part of the Lessee to pay to the Lessor any additional sum, by way of rental or otherwise, on account thereof.

SECTION 6. Subject to and upon compliance with the terms and conditions of any mortgage or other similar contract which provides for or permits such substitution or joinder, the Lessor, at any time during the continuance of this lease, upon the written request of the Lessee, will, to the extent of the corporate powers of the Lessor, join in, assist and procure the substitution or joinder of the Lessee for or with the Lessor under and as a party to said mortgage or contract, with all the rights, privileges and powers which can be accorded to and conferred upon the Lessee thereunder, *subject, however,* to all of the terms, conditions and limitations therein prescribed, and *subject further* to the provision that no bonds or other obligations or evidences of indebtedness shall be issued which would be a lien upon any of the leased properties without the approval of the board of directors of the Lessor.

SECTION 7. The Lessor will not, during the continuance of this lease, without the written request or consent of the Lessee, issue, except in exchange for or in lieu of or upon the transfer of outstanding certificates or securities, any share of capital stock or any bond or other evidence of interest in or indebtedness of the Lessor, or assume any obligation as lessor, lessee, guarantor, indorser, surety or otherwise in respect of the securities of any other person, natural or artificial, or, except for the purposes mentioned in Section 4 of Article Two of this lease, incur any debt or liability whatever, or voluntarily subject or permit the subjection of the leased properties or any part thereof to any lien, charge, trust or demand of any character; *provided, however,* that, without such request or consent, the Lessor may, from time to time, and on or before October 1, 1927, issue shares of its common stock, now reserved for such purpose, upon conversion of outstanding Four Per Cent. 50-Year Convertible Gold Bonds, Series D, of the Lessor.

ARTICLE FIVE

CONSOLIDATION, CONVEYANCE, ETC.

It is hereby mutually covenanted and agreed:

(1) That when and if authorized by the Interstate Commerce Commission or other proper governmental agency, or otherwise authorized or permitted by law, the leased properties and the properties of the Lessee shall be consolidated into one corporation for the ownership, management and operation thereof in such manner either by consolidation, merger, conveyance or other means of unification as may be agreed upon between the boards of directors of the Lessor and the Lessee, and that thereupon this lease shall be terminated; and in such event the parties hereto severally covenant and agree promptly to execute, or to cause to be executed, each and every instrument, and to do or cause to be done each and every act and thing, necessary or advisable in order to effect such consolidation, merger, conveyance or other unification when so authorized and agreed upon.

(2) The terms and conditions upon which such consolidation, merger, conveyance or other unification shall be effected shall be such as to provide for the acquisition by the Lessee, or the Lessee's successor or by a nominee of the Lessee whose undertakings the Lessee shall guarantee, of all the right, title and interest of the Lessor, and of the Lessor's stockholders, in and to the leased properties, and in and to all other properties, rights and interests of the Lessor. The full and sole cost of and consideration for such acquisition shall be the delivery, as herein pro-

vided, of (1) stock of the Lessee of the classes and in the amounts which may be requisite to provide for the exchange (or conversion), at the respective ratios provided in Section 1 of Article Two, of all stock of the Lessor, which at the time shall be outstanding in the hands of the public and not then owned by the Lessee (but not including any of the Lessor's stock held in the Lessor's treasury); or (2), if another corporation shall have succeeded the Lessee, by consolidation or otherwise, stock of such successor corporation of the classes and in the amounts into which the aggregate amount of stock of the Lessee deliverable under clause (1) of this paragraph would, if outstanding at the time of such succession, have been exchangeable or convertible.

Such stock may be delivered either to the Lessor's stockholders, other than the Lessee, in exchange for their respective shares of the Lessor's stock, or to the Lessor for the benefit of or distribution to its stockholders, other than the Lessee, but in any event such payment of stock shall represent a net consideration for the benefit of the Lessor's stockholders, other than the Lessee, free from any and all claims for principal of or for interest upon the Lessor's bonds or other indebtedness or obligations, and free from all expense of the Lessor, including expenses, if any, of dissolution or distribution of assets.

(3) If for any reason whatsoever such consolidation, merger, conveyance or other unification shall be voided, this lease shall thereupon be reinstated but the shares of stock delivered pursuant to the foregoing paragraph (2) shall be accepted and be in lieu of the payments provided for in Section 3 of Article Two of this lease, and the Lessee shall thenceforth be relieved of the payments provided for in Section 3 of Article Two of this lease.

ARTICLE SIX

Remedies in Case of Default

In case the Lessee shall, at any time during the continuance of this lease, fail or omit duly and punctually

(1) to make any payment in Section 3 of Article Two of this lease agreed to be made by it as and when such payment shall become due and payable and such default shall continue for a period of ten (10) days; or

(2) to make any other payment in this lease agreed to be made by it as and when such payment shall become due and payable, and such default shall

continue for a period of sixty (60) days after service upon the Lessee of a written notice specifying such default and requiring the Lessee to remedy the same; or

(3) to observe, abide by, keep or perform any other of the covenants, agreements, conditions and/or obligations of this lease to be observed, abided by, kept or performed by it, and any such default shall continue for a period of sixty (60) days after service upon the Lessee of a written notice specifying such default and requiring the Lessee to remedy the same;

then and in any such case the Lessor may either

(*a*) proceed by proper action or actions in the proper court or courts, either at law or in equity, to recover the amount of the payment in respect of which default shall have been made, together with interest thereon, or to enforce the performance of any or all such covenants, agreements, conditions or obligations by the Lessee, or to recover damages for the breach thereof; or

(*b*) by notice in writing terminate this lease, and thereupon enter in and upon the leased properties and all and every part thereof and remove the Lessee and all other persons therefrom; and shall thenceforth hold, possess and enjoy the same free from any right of the Lessee or its successors or assigns to use the leased properties or any part thereof for any purpose whatsoever; and thereupon any and all right, title and interest of the Lessee in and to the leased properties and in and to the possession and use thereof shall absolutely cease and determine as though this lease had never been made; but the Lessor nevertheless shall have the right to recover from the Lessee any and all amounts which may then be due and payable by the Lessee under this lease, together with interest thereon, as well as any damages in addition thereto which the Lessor may have sustained by reason of the breach of the provisions hereof, subject to the right of the Lessee to reimbursement, to the extent and in the manner provided in this lease, for any amounts chargeable by the Lessee to the Lessor in accordance with the terms and provisions hereof.

Anything to the contrary in this lease notwithstanding, if in any mortgage, deed of trust, indenture or other agreement constituting a lien upon or otherwise affecting

any of the leased properties it shall be provided that no lease of the properties subject to or affected by any such mortgage, deed of trust, indenture or other agreement shall be made unless the lease, as to such properties, shall be subject to termination by the trustee of such mortgage, deed of trust, indenture or other agreement, in case of the happening of an event of default thereunder, or by the purchaser at any sale of the mortgaged premises made in enforcement of such mortgage, deed of trust, indenture or other agreement, this lease is hereby made subject to termination by such trustee or such purchaser as to the premises upon which such mortgage, deed of trust, indenture or other agreement constitutes a lien, but only as to such premises; *provided, however,* that an event of default under any such mortgage, deed of trust, indenture or other agreement shall not operate *ipso facto* to effect such termination but that such termination shall be effected only by the affirmative action of such trustee or of such purchaser in accordance with the terms, conditions and provisions of such mortgage, deed of trust, indenture or other agreement; and *provided further* that the Lessee shall be subrogated and succeed to all rights of the Lessor to make good and to remedy such event of default and its consequences.

ARTICLE SEVEN

Accounting

Section 1. (A) A complete inventory of the materials and supplies and shop machinery and tools leased shall be taken jointly by the Lessor and the Lessee as of the effective date of this lease.

(B) Within sixty (60) days after the effective date of this lease, the Lessor shall prepare and deliver, or cause to be prepared and delivered, to the Lessee trial balance sheets in duplicate, duly authenticated by the chief accounting officer of the Lessor, drawn from the books of the Lessor and of companies whose properties are operated by the Lessee as part of the Lessor's transportation system as of the effective date of this lease, and all of the accounts embraced within said trial balance sheets, except capital stock accounts, shall be taken over into the books of the Lessee, but the Lessee for these and all other of its purposes may treat as its books and as its organization the books of account and the accounting records and memoranda and organization of the Lessor and of such controlled companies for such time as to the Lessee shall seem advisable.

(C) As soon as practicable after the effective date of this lease, the Lessor shall prepare and deliver to the Lessee written schedules, in duplicate, duly authenticated by the chief accounting officer of the Lessor, which shall show as of the effective date of this lease, in detail, the leased properties and the properties of companies controlled by the Lessor and operated by the Lessee as part of the Lessor's transportation system, setting forth separately properties owned by the Lessor and properties not so owned, but held, operated, controlled or used by the Lessor under lease, by stock control or otherwise, together with the respective mortgages, pledges and other liens thereon; and the capitalization, liabilities, reserves and balances affecting the same, all according to the following classifications, setting forth separately, in so far as the records of the Lessor and of its controlled companies show the same, the securities, liabilities, reserves and balances issued or assumed by the Lessor and by corporations or individuals, the properties of which are held, operated, controlled or used by the Lessor under leases, by stock control or otherwise:

(1) Railroad and telegraph lines and branches, showing their general condition if finished, and to what extent completed if unfinished, with their respective locations, termini, mileages and other facts necessary completely to identify the properties. This schedule shall be accompanied by a suitable map or maps and profiles.

(2) Lands (including lands under water, water rights and rights of reclamation) classified by valuation sections, zones and parcels as provided by the Interstate Commerce Commission, in connection with the federal valuation of railroads. This schedule shall be accompanied by a suitable map or maps.

(3) Wharves, docks, piers, warehouses, station buildings and other structures and properties used in or held for the service of transportation by water, and/or in connection therewith. This schedule shall show the general physical condition of each unit of property.

(4) Rolling stock and other railroad equipment and the general condition and the value thereof.

(5) Floating equipment, showing each boat in detail, and the general condition and the value thereof.

(6) Improvements on leased railway property, including the Lessor's investment in additions and

betterments made by it to railway property held under long-term lease, or through control of the corporation owning the property. This schedule shall be classified by primary accounts in accordance with the rules of the Interstate Commerce Commission.

(7) Sinking funds including cash, securities and other assets held for the purpose of redeeming outstanding obligations.

(8) Deposits in lieu of mortgaged property sold.

(9) Physical properties, other than the transportation properties embraced in the schedules referred to in clauses (1) to (6) of this part (C) of this Section.

(10) Stocks, bonds, notes and other securities issued or assumed by companies affiliated with the Lessor and held or owned by or for the Lessor and all advances made by the Lessor to such companies.

(11) Stocks, bonds, notes and other securities issued or assumed by companies not affiliated with the Lessor, or by individuals, and held or owned by or for the Lessor, and all advances made by the Lessor to such companies and to individuals, and all other investments not provided for elsewhere in this Section.

(12) Current assets, deferred assets and unadjusted debits classified according to the classification of general balance sheet accounts prescribed by the Interstate Commerce Commission.

(13) Stock, governmental grants and long term debt classified according to the classification of general balance sheet accounts prescribed by the Interstate Commerce Commission.

(14) Current liabilities, deferred liabilities, unadjusted credits and corporate surplus classified according to the classification of general balance sheet accounts prescribed by the Interstate Commerce Commission.

As to right of way, lands, buildings, structures and other properties generally classified as real properties, the maps and the schedules accompanying the same as now or hereafter filed with the Interstate Commerce Commission in connection with the federal valuation of

railroads shall be deemed a part of the schedules provided for in this part (C) of Section 1, and copies thereof need be made only if and when requested by the Lessee. The book values and amounts for all items for which such values and amounts are recorded shall be stated in the schedules thereof and, for the purpose of final accounting, shall be deemed to be the *prima facie* values for amounts of such items unless such schedules shall state also either a value or amount different from the book values and amounts or that the book values and amounts are not to be used as *prima facie* values for the purpose of final accounting. Where said schedules show any values other than book values, the values so shown shall be deemed to be the *prima facie* values for the purpose of final accounting unless specific written objection thereto is made by the Lessee within six (6) months after delivery of said schedules.

SECTION 2. During the continuance of this lease, (*a*) all revenues, income, expenses, taxes and other charges against income shall be treated as the business of the Lessee, but for the purpose of final accounting under this lease the same shall be allocated with reference to the time when accrued or incurred, as between the period of the continuance of this lease and the period prior thereto, and the Lessee shall make such entries and maintain and keep such records and accounts as may be necessary to effect such allocation; and (*b*) the accounting upon the books of the Lessee for retirements and replacements, and for the cost of additions and betterments, shall be in accordance with the rules of the Interstate Commerce Commission or other governmental authority in force at the time of such retirements or replacements or of the making of such additions and betterments.

SECTION 3. Upon the termination of this lease, otherwise than as provided in Article Five hereof, there shall be, in connection with the return of the leased physical properties and other capital assets shown in the schedules referred to in clauses (1) to (11) inclusive of part (C) of Section 1 of this Article, an accounting and settlement between the parties, as follows:

The Lessee shall as soon as practicable after the termination of the lease prepare and deliver to the Lessor written schedules in duplicate, corresponding as of the date of the termination of this lease to the schedules referred to in clauses (1) to (11) inclusive of part (C) of Section 1 of this Article.

The Lessee shall be debited and the Lessor credited with:

(*a*) The value of any of the capital assets listed in the schedules furnished by the Lessor in accordance with Section 1 of this Article, or any parts thereof, which have been sold, abandoned, retired, worn out, depreciated or otherwise disposed of by the Lessee, or which for any other reason are not returned to the Lessor by the Lessee.

(*b*) The cost of any additions, betterments, extensions, enlargements or increases of capital assets of any kind, or any parts thereof, which may have been charged to the Lessor under this lease and which have been sold, abandoned, retired, worn out, depreciated, or otherwise disposed of by the Lessee, or which for any other reason are not turned over to the Lessor by the Lessee.

(*c*) All amounts received or realized by the Lessee out of the materials and supplies and other current and deferred and other assets listed in the schedules furnished by the Lessor in accordance with clause (12) of part (C) of Section 1 of this Article or arising or accruing from the operation, business or investment of the leased properties prior to the effective date of this lease, which are not included in said schedules.

(*d*) All amounts of taxes, operating expenses, hire of equipment, rents, traffic balances and other liens and charges upon the leased properties arising or accruing from their operation, business or investment during the continuance of this lease, which the Lessee shall have failed to pay or satisfy.

(*e*) All increases in the par or principal amounts of outstanding capital liabilities or stock of the Lessor or against the leased properties listed in the schedules furnished by the Lessor in accordance with Section 1 of this Article, made by or at the request of the Lessee for which the Lessor is not otherwise reimbursed or indemnified; *provided, however,* that there shall not be any debit to the Lessee or credit to the Lessor for any increase in the amount of the Lessor's outstanding capital stock resulting from the conversion of any Four Per Cent. 50-year Convertible Gold Bonds, Series D, of the Lessor into the Lessor's stock.

(*f*) All items and amounts not embraced in the foregoing clauses (*a*) to (*e*) inclusive, which the Lessee is required by the provisions of this lease to pay, perform or discharge without debit against or reimbursement by the Lessor, and which the Lessee has failed or may fail so to pay, perform or discharge.

The Lessor shall be debited and the Lessee credited with:

(*g*) The cost of any additions and betterments, extensions, enlargements or increases in capital assets listed in the schedules furnished by the Lessor in accordance with Section 1 of this Article made by the Lessee with the authorization or ratification of the board of directors of the Lessor (without deduction for any sales, abandonments, retirements or other amounts for which the Lessor may be credited as in clauses (*a*) and (*b*) hereinabove provided).

(*h*) All amounts paid by the Lessee for current and other liabilities listed in the schedules furnished by the Lessor in accordance with Section 1 of this Article, or arising or accruing from or in respect of the operation, business or investment of the leased properties prior to the effective date of this lease which are not included in said schedules. The Ten Million Dollars ($10,000,000) of Two-Year 5% Secured Gold Notes referred to in Section 4 of Article Four of this lease and any other liabilities for which other liabilities the Lessee shall have received reimbursement under the provisions of said Section 4 of said Article Four shall be treated as funded debt and not as current liabilities.

(*i*) All decreases in the par or principal amounts of outstanding liabilities of the Lessor, or against the leased properties listed in the schedules furnished by the Lessor in accordance with Section 1 of this Article; *provided, however,* that there shall not be any debit to the Lessor or credit to the Lessee because of any decrease in the principal amounts of outstanding liabilities of the Lessor resulting from the conversion of any Four Per Cent. 50-year Convertible Gold Bonds, Series D, of the Lessor into the Lessor's stock.

(*j*) All amounts received or realized by the Lessor from any materials and supplies or other current assets which may be turned over by the Lessee to or collected by the Lessor of the nature of those listed in accordance with clause (12) of part (C)

of Section 1 of this Article, or arising or accruing from or in connection with the operation, business or investment of the leased properties during the continuance of this lease.

(*k*) The balance of any working or other funds established by the Lessee with the Lessor, or for the Lessor's benefit, which the Lessor has failed or may fail to return.

(*l*) All items and amounts not embraced in the foregoing clauses (*g*) to (*k*) inclusive, which the Lessor is required by the provisions of this lease to pay, perform or reimburse to the Lessee, or to pay, perform and discharge without debit against the Lessee, and which the Lessor has failed or may fail so to pay, perform, reimburse or discharge.

Revenues, income, expenses, taxes and other charges against income shall be allocated in such accounting with reference to the time when accrued or incurred as between the period of the continuance of this lease and the periods prior and subsequent thereto. For the purpose of such accounting the same methods of accrual and valuation shall prevail at the termination of this lease as those which prevailed at the effective date of this lease. For the purpose of such final accounting, charges and credits in respect of additions and betterments, retirements and replacements shall be based upon the original cost, estimated if not known, of the same, except that the accounting for equipment shall be based upon the methods of valuation adopted as of the effective date of this lease.

The first balance upon the final accounting shall be struck within sixty (60) days after the termination of this lease and shall be paid by the party against which the net debit exists, with interest at the rate of six per centum (6%) per annum from the date when the balance is struck, to the other party, within thirty (30) days thereafter. Such payment shall be made in cash or, at the option of the debtor party, in bonds of the debtor party at par, bearing interest at the rate of six per centum (6%) per annum, and secured by the best lien, charge, pledge or guaranty which the debtor party is then able to give as security for the payment of such bonds, *provided, however,* that, if such balance shall be against the Lessee, the Lessee, up to the amount of such balance, shall, if required by the Lessor, pay to the Lessor in cash an amount equal to the net balance against the Lessee arising from the debits and credits in respect of current

assets and liabilities referred to in clauses (*c*), (*h*) and (*j*) of this Section 3.

After the first balance has been struck, there shall be a similar accounting at the end of each subsequent period of three months, with payment of balances in cash or in bonds as above provided, until the account has been finally closed.

SECTION 4. Neither party shall make any charge against the other for services in preparing, paying, collecting or settling the accounts above referred to, but all of the work in connection with such matters, during the continuance of this lease, shall be done by or at the expense of the Lessee without charge to the Lessor, and, subsequent to the termination of this lease, shall be done by or at the expense of the Lessor without charge to the Lessee.

The accounting hereinabove provided for shall not prevent or exclude any claim by either party against the other for damages for breach of any covenant of this lease.

ARTICLE EIGHT

ARBITRATION

In case of any disagreement between the parties hereto as to the true construction or meaning of any of the provisions of this lease, or as to the rights of either party hereunder, or as to the terms and provisions of any stocks, bonds, obligations or other evidences of indebtedness which may be issuable to the Lessee, as provided in Article Four of this lease, or of any mortgages, deeds of trust or other instruments to secure the payment of any such bonds, obligations or other securities, or any claim of either party arising hereunder, which the parties fail to adjust between themselves, such matter or matters of disagreement shall be submitted for arbitration to a tribunal consisting of three disinterested persons, constituted as hereinafter provided.

In case of any such disagreement, the Lessor shall appoint one arbitrator and the Lessee shall appoint one arbitrator, and the two thus appointed shall appoint a third. In case either party shall refuse or fail to appoint an arbitrator within thirty (30) days after receiving written notice from the other party of the matter which it desires to submit to arbitration, and of its appointment of

an arbitrator, such party so asking for an arbitration may also appoint the second arbitrator, and the two persons so appointed shall appoint the third arbitrator. In the event of the failure of the two arbitrators first appointed to appoint the third within ten (10) days after the appointment of the second arbitrator and his acceptance of such appointment, either party hereto may apply to a Judge of the United States District Court for the Southern District of New York, upon fifteen (15) days' written notice to the other party, for such appointment of the third arbitrator.

The tribunal so constituted shall give ten (10) days' written notice of the time and place of hearing to the parties, and shall proceed without delay to hear the proofs and allegations of such parties, or of such party as may appear before such tribunal, and shall determine the questions and matters submitted to it for arbitration, and make its decision and award in writing. In case either party refuses or fails, upon said written notice given by such arbitrators, to produce its proofs, or present its case before them, the arbitrators may determine such questions and matters so submitted to them upon proofs presented by the other party and such proofs as they may procure.

The decision and award of the majority of the arbitrators, when made in writing and signed by them, shall in every case be final and conclusive and obligatory upon the parties hereto; and each party hereto agrees to abide by and comply with every such decision and award.

The determination and award of such arbitrators, or a *bona fide* effort to obtain it, shall be a condition precedent to any right of action with respect to any matter hereby agreed to be submitted to arbitration, and no right of action, either at law or in equity, shall, with respect to any such matter, exist or be invoked by either party hereto until after the same shall have been submitted to arbitration as herein provided (and then only to enforce the decision and award of such arbitration) or until after a *bona fide* attempt to obtain such arbitration shall have been made by the party so resorting to litigation and such attempt shall have failed otherwise than through the fault of such party.

All costs and expenses of any arbitration, with respect to matters arising during the continuance of the lease, shall be borne by the Lessee.

ARTICLE NINE

Miscellaneous Provisions

Section 1. The covenants and agreements herein contained are made subject to existing and future law and to the exercise of power thereunder by public authority, whether by way of authorization, prohibition or otherwise.

Section 2. The Lessor and the Lessee may, by agreement authorized or approved by their respective boards of directors, at any time and from time to time during the continuance of this lease, make any such alteration or modification of the terms, conditions and provisions of this lease, or of any of them, not inconsistent with the general intent and purpose of this lease, as such boards may deem expedient, but no such alteration or modification shall reduce the amount of rental payable hereunder.

Section 3. Whenever, in this lease, provision is made for any consent or approval by the board of directors of the Lessor, it is understood and agreed that such consent or approval may be given or withheld by said board of directors in its discretion, except as provided in Article Eight of this lease, and that nothing contained in this lease, except Article Eight of this lease, is intended or shall be construed to limit or affect any discretion which said board of directors would otherwise possess, and neither said board of directors of the Lessor nor any member of said board shall be liable or responsible for any exercise of discretion or judgment; and no director, officer or stockholder, either of the Lessee or of the Lessor, shall be held to any individual or personal liability for any matter or thing under or in connection with this lease or any instrument made in pursuance hereof by either party hereto.

Section 4. Except as in this lease specifically provided in Sections 1 and 2 of Article Two of this lease, no rights of any character whatever shall for any purpose accrue to or be deemed to be conferred upon any person, firm or corporation under this lease other than the Lessor

and the Lessee and their respective successors and assigns; nor shall any provisions of this lease be deemed an assumption of obligation or liability within the meaning of Section 20 (a) of the Interstate Commerce Act.

SECTION 5. This lease is to take effect and be in force as of midnight, , 1925, which date is sometimes referred to in this lease as "the effective date of this lease". Thereafter the Lessee may operate the leased properties either in its own name or in the name of the Lessor, or may provide for such operation by another.

SECTION 6. Any notice to be given by one party to the other party under this lease shall be deemed sufficiently given if in writing and mailed in a postpaid, sealed wrapper to such address as shall have been last given in writing by the other party for such purpose.

SECTION 7. The Lessor's "transportation system", where referred to in Articles Two, Three, Four and Seven of this lease, means, in addition to transportation properties owned by the Lessor, the transportation properties of the companies specified in Appendix "C" attached to this lease and forming a part hereof; but does not include transportation properties of other companies controlled by the Lessor and not specified in said Appendix "C". "Operated by the Lessee" as used in connection with such transportation system means operated directly by the Lessee or by another under the control of the Lessee through stock or otherwise.

SECTION 8. This lease is assignable, and it is mutually covenanted and agreed that all of the provisions herein contained shall be binding upon the respective successors and assigns of each of the parties hereto; *provided, however,* that no assignment of this lease shall be made by the Lessee without the consent of the board of directors of the Lessor unless the Lessee shall guarantee to the Lessor the performance by the assignee of all obligations imposed upon the assignee under this lease.

SECTION 9. Erie Railroad Company doth hereby constitute and appoint to be its attorney for it, and in its name as and for its corporate act and deed to acknowledge this indenture, before any person having authority by the laws of the Commonwealth of Pennsylvania to take such acknowledgment, to the intent that the same may be duly recorded.

SECTION 10. The New York, Chicago and St. Louis Railway Company doth hereby constitute and appoint to be its attorney for it, and in its name as and for its corporate act and deed to acknowledge this indenture, before any person having authority by the laws of the Commonwealth of Pennsylvania to take such acknowledgment, to the intent that the same may be duly recorded.

IN WITNESS WHEREOF, the parties hereto have caused this indenture to be executed by their respective presidents or vice-presidents and attested under their respective corporate seals by their respective secretaries or assistant secretaries.

ERIE RAILROAD COMPANY,

By

President.

Attest:

Secretary.

THE NEW YORK, CHICAGO AND ST. LOUIS RAILWAY COMPANY,

By

President.

Attest:

Secretary.

Witnesses as to
Erie Railroad Company:

The New York, Chicago and St. Louis
Railway Company:

STATE OF
County of } ss.:

On this day of , in the year nineteen hundred and twenty-five, before me personally came ,
to me known, who, being by me duly sworn, did depose and say that he resides in the City of ,
State of ; that he is the
of ERIE RAILROAD COMPANY, one of the corporations described in and which executed the foregoing indenture; that he knows the seal of said corporation; that the seal affixed to said indenture is such corporate seal; that it was so affixed by order of the board of directors of said corporation, and that he signed his name thereto by like order.

[L. S.] Notary Public

STATE OF
County of } ss.:

On this day of , in the year nineteen hundred and twenty-five, before me personally came ,
to me known, who, being by me duly sworn, did depose and say that he resides in ;
that he is the of THE NEW YORK, CHICAGO AND ST. LOUIS RAILWAY COMPANY, one of the corporations described in and which executed the foregoing indenture; that he knows the seal of said corporation; that the seal affixed to said indenture is such corporate seal; that it was so affixed by order of the board of directors of said corporation, and that he signed his name thereto by like order.

[L. S.] Notary Public,

STATE OF
County of } ss.:

BE IT REMEMBERED that on the day of , in the year of our Lord one thousand nine hundred and twenty-five, before me ,
a Notary Public in and for the County and State aforesaid, personally appeared ,
to me known, who, being by me duly sworn according to law, upon his oath doth depose and make proof to my satisfaction that he is, and at the time of the execution of the foregoing indenture was, the
of ERIE RAILROAD COMPANY, a corporation of the State of New York, the party of the first part in said indenture named; that he well knows the seal of said corporation; that the seal affixed to said indenture is the corporate seal of said corporation, and that it was so affixed and said indenture executed and delivered pursuant to a resolution of the Board of Directors of said corporation; that is,
and at the time of the execution of said indenture was,

the of the said corporation; that he saw said as such affix said seal thereto, sign and deliver said indenture, and heard him declare that he signed, sealed and delivered the same as the voluntary act and deed of the corporation and by its order, and that this deponent signed his name thereto at the same time as a subscribing witness.

Sworn and subscribed, before me a Notary Public, in and for the County of , in the State of , at the City of , in said County and State, this day of , 1925.

[L. S.] Notary Public,

STATE OF
County of } ss.:

BE IT REMEMBERED that on the day of , in the year of our Lord, one thousand nine hundred and twenty-five, before me , a Notary Public in and for the County and State aforesaid, personally appeared , to me known, who being by me duly sworn according to law, upon his oath doth depose and make proof to my satisfaction that he is, and at the time of the execution of the foregoing indenture was, of THE NEW YORK, CHICAGO AND ST. LOUIS RAILWAY COMPANY, a corporation of the State of Ohio, the party of the second part in said indenture named; that he well knows the seal of said corporation; that the seal affixed to said indenture is the corporate seal of said corporation, and that it was so affixed and said indenture executed and delivered by order of said corporation; that is, and at the time of the execution of said indenture was the of the said corporation; that he saw said , as such affix said seal thereto, sign and deliver said indenture, and heard him declare that he signed, sealed and delivered the same as the voluntary act and deed of the corporation and by its order, and that this deponent signed his name thereto at the same time as a subscribing witness.

Sworn and subscribed, before me a Notary Public, in and for the County of , in the State of , at the City of , in said County and State, this day of , 1925.

Notary Public,

STATE OF
County of } ss.:

I HEREBY CERTIFY that on this day of , in the year of Our Lord nineteen hundred and twenty-five, before me, the subscriber, a Notary Public of the State of in and for the County of , personally appeared , the attorney named in the foregoing indenture, and by virtue and in pursuance of the authority therein conferred upon him, acknowledged the said indenture to be the act of the said ERIE RAILROAD COMPANY.

WITNESS my hand and official seal the day and year aforesaid.

[L. S.] Notary Public

STATE OF
County of } ss.:

I HEREBY CERTIFY that on this day of , in the year of Our Lord nineteen hundred and twenty-five, before me, the subscriber, a Notary Public of the State of in and for the County of , personally appeared , the attorney named in the foregoing indenture, and by virtue and in pursuance of the authority therein conferred upon him, acknowledged the said indenture to be the act of the said THE NEW YORK, CHICAGO AND ST. LOUIS RAILWAY COMPANY.

WITNESS my hand and official seal the day and year aforesaid.

[L. S.] Notary Public,

APPENDIX "A"

The Arlington Railroad Company
The Arnot and Pine Creek Railroad Company
Bergen and Dundee Railroad Company
The Bergen County Railroad Company
The Brockport and Shawmut Railroad Company
The Buffalo, Bradford and Pittsburgh Railroad Company
The Caldwell Railway Company
The Canal Belt Railroad Company
Chicago and Erie Railroad Company
Columbus and Erie Railroad Company
Conesus Lake Railroad Company
Delaware Valley and Kingston Railway Company
The Docks Connecting Railway Company
Dunmore Iron and Steel Company
The Elmira State Line Railroad Company
The Erie and Black Rock Railroad Company
The Erie and Wyoming Valley Railroad Company
Erie Land and Improvement Company
Erie Land and Improvement Company of Pennsylvania
Erie Terminals Railroad Company
Eriton Railroad Company
Industrial Center Land Company
The Jefferson Railroad Company
The Long Dock Company
The Mahoning River Land Company
Middletown and Crawford Railroad Company
The Moosic Mountain and Carbondale Railroad Company
Newark and Hudson Railroad Company
The New York and Greenwood Lake Railway Company
New York, Lake Erie and Western Coal and Railroad Company
New York, Lake Erie and Western Docks and Improvement Company
The Nypano Railroad Company
The Paterson, Newark and New York Railroad Company
The Pavonia Ferry Company
Penhorn Creek Railroad Company
The Roseland Railway Company
Southern Tier Development Company
Tioga Railroad Company
Weehawken Stock Yard Company
The Youngstown and Austintown Railway Company

APPENDIX "B"

The Arlington Railroad Company
The Arnot and Pine Creek Railroad Company
Bergen and Dundee Railroad Company
The Bergen County Railroad Company
The Brockport and Shawmut Railroad Company
The Buffalo, Bradford and Pittsburgh Railroad Company
The Caldwell Railway Company
The Canal Belt Railroad Company
Chicago and Erie Railroad Company
Columbus and Erie Railroad Company
Conesus Lake Railroad Company
Delaware Valley and Kingston Railway Company
The Docks Connecting Railway Company
Dunmore Iron and Steel Company
The Elmira State Line Railroad Company
The Erie and Black Rock Railroad Company
The Erie and Wyoming Valley Railroad Company
Erie Land and Improvement Company
Erie Land and Improvement Company of Pennsylvania
Erie Terminals Railroad Company
Eriton Railroad Company
Industrial Center Land Company
The Jefferson Railroad Company
The Long Dock Company
The Mahoning River Land Company
Middletown and Crawford Railroad Company
The Moosic Mountain and Carbondale Railroad Company
Newark and Hudson Railroad Company
The New York and Greenwood Lake Railway Company
New York, Lake Erie and Western Coal and Railroad Company
New York, Lake Erie and Western Docks and Improvement Company
The Nypano Railroad Company
The Paterson, Newark and New York Railroad Company
Penhorn Creek Railroad Company
The Roseland Railway Company
Southern Tier Development Company
Tioga Railroad Company
The Youngstown and Austintown Railway Company

APPENDIX "C"

The Arlington Railroad Company
The Arnot and Pine Creek Railroad Company
Avon, Geneseo & Mount Morris Railroad Company
Bergen and Dundee Railroad Company
The Bergen County Railroad Company
The Brockport and Shawmut Railroad Company
The Buffalo, Bradford and Pittsburgh Railroad Company
The Caldwell Railway Company
The Canal Belt Railroad Company
Chicago and Erie Railroad Company
The Cleveland and Mahoning Valley Railway Company
Columbus and Erie Railroad Company
Conesus Lake Railroad Company
Delaware Valley and Kingston Railway Company
The Docks Connecting Railway Company
Dunmore Iron and Steel Company
The Elmira State Line Railroad Company
The Erie and Black Rock Railroad Company
The Erie and Wyoming Valley Railroad Company
Erie Land and Improvement Company
Erie Land and Improvement Company of Pennsylvania
Erie Terminals Railroad Company
Eriton Railroad Company
The Goshen and Deckertown Railway Company
Industrial Center Land Company
The Jefferson Railroad Company
The Long Dock Company
The Mahoning River Land Company
Middletown and Crawford Railroad Company
The Montgomery and Erie Railway Company
The Moosic Mountain and Carbondale Railroad Company
Newark and Hudson Railroad Company
The New York and Greenwood Lake Railway Company
New York, Lake Erie and Western Coal and Railroad Company

New York, Lake Erie and Western Docks and Improvement Company
Northern Railroad Company of New Jersey
Nyack and Southern Railroad Company
The Nypano Railroad Company
The Paterson and Ramapo Railroad Company
The Paterson, Newark and New York Railroad Company
Penhorn Creek Railroad Company
The President and Directors of The Paterson and Hudson River Railroad Company
Rochester & Genesee Valley Railroad
The Roseland Railway Company
The Sharon Railway
Southern Tier Development Company
Tioga Railroad Company
Union Railroad Company
Westerman Coal and Iron Railroad (privately owned)
The Yonngstown and Anstintown Railway Company

The Cleveland and Pittsburgh Railroad Company (property described in paragraph 25 of clause Fourth).

Jamestown, Westfield and Northwestern Railroad Company (property described in paragraph 26 of clause Fourth).

New Jersey Junction Railroad Company (property described in paragraph 24 of clause Fourth).

Exhibit No. 23.

PROPOSED FORM OF LEASE FOR PERE MARQUETTE.

"A"

Indenture, dated the ..... day of ....., 1925, by and between PERE MARQUETTE RAILWAY COMPANY, a corporation of the State of Michigan, hereinafter called "the Lessor", party of the first part, and THE NEW YORK, CHICAGO AND ST. LOUIS RAILWAY COMPANY, a corporation of the State of Ohio, hereinafter called "the Lessee", party of the second part;

WHEREAS, the Lessor owns, controls and operates certain lines of railway and other property, with the appurtenances thereof, in the States of Michigan, Ohio, Indiana and Illinois and in the Province of Ontario, Dominion of Canada, and a system of water transportation, with the appurtenances thereof, operating between Ludington, Michigan and Manitowoc, Wisconsin, between Ludington, Michigan and Kewaunee, Wisconsin, and between Ludington, Michigan, and Milwaukee, Wisconsin, between Port Huron, Michigan and Sarnia, Ontario, and between Detroit, Michigan and Windsor, Ontario; and

WHEREAS, the Lessee desires to lease all such lines of railway and appurtenances and said system of water transportation and appurtenances and all other property of the Lessor, together with the rents, issues and profits thereof, and the Lessor is willing to lease the same unto the Lessee upon the terms and conditions set forth in this indenture; and

WHEREAS, the Lessor and the Lessee respectively acknowledge that all acts and things required by law to make this indenture a valid, binding and enforceable indenture of lease in accordance with the terms and conditions hereof have been done and performed by the Lessor and by the Lessee respectively and have happened;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That in consideration of the mutual covenants and agreements herein contained and of other valuable considerations, the receipt of which by each of the parties to this indenture from the other is hereby acknowledged, the parties hereto respectively act, covenant and agree as herein stated.

The Lessor, subject to all of the terms and conditions herein set forth, has let, demised, leased and assigned, and does hereby let, demise, lease and assign, unto the Lessee, its successors and assigns, for the term hereinafter stated:

All and singular the right, title and interest of the Lessor in and to the following lines of railway and other property, real, personal and mixed, together with any and all other property owned by the Lessor or in which it has any interest, legal or equitable, whether or not herein specifically described, all of which are hereinafter sometimes referred to collectively as "the leased properties", viz.:

FIRST: All and singular the following described lines of railway and other property, and all other lines of railway at the effective date of this lease owned by the Lessor, and all the right, title and interest of the Lessor in and to any other lines of railway in or to which at said date the Lessor has any right, title or interest:

I

The following lines of railway:

1. A line of railway extending from the crossing of the Michigan Central Railroad at Delray (Detroit) Michigan, via Oak, Plymouth and Trowbridge, to a connection with the Michigan Central Railroad at a point 530 feet, more or less, south of the center of Michigan Avenue, Lansing, 82.77 miles, and from a connection with the Michigan Central Railroad about 330 feet south of the center of Franklin Street at North Lansing, via Grand Ledge, Elmdale and Seymour, to the end of the freight house tracks at Island Street, Grand Rapids, 63.87 miles, with branches connecting therewith and extending from Oak to a connection with the Michigan Central Railroad at West Detroit, 700 feet north of Junction Avenue, 8.49 miles; from Trowbridge to Agricultural College, 1.76 miles; Elmdale to Freeport, 6.23 miles; and Seymour to Reed's Lake, 2.34 miles.

2. A line of railway extending from a connection with the Detroit-Grand Rapids line at a point at or near Pleasant Street in Grand Rapids, Michigan, via Waverly, Holland, Hartford and New Buffalo to a connection with the New York Central Railroad near the crossing of the Michigan Central Railroad and the New York Central Railroad at Porter, Indiana,

a distance of 136.16 miles; with branches connecting therewith and extending from Holland to Allegan, 23.58 miles, from Lawton to South Haven, 33.82 miles, crossing the Grand Rapids-Porter Line at Hartford; from New Buffalo to a connection with the Chicago, Indianapolis & Louisville Railroad at LaCrosse, Indiana, 36.93 miles.

3. A line of railway extending from a connection with the Grand Rapids-Porter line at Waverly, Michigan, via Cronje, to a junction with the tracks of the Detroit, Grand Haven & Milwaukee Railroad, 830 feet north of Jackson Street, in Grand Haven, 20.58 miles, and from a connection with the Detroit, Grand Haven & Milwaukee Railroad at the north end of its Grand River Bridge at Ferrysburg, Michigan, via Kirk, Muskegon Heights, Muskegon, Berry and Mears, to the end of the track at Pentwater, 54.24 miles; with branches connecting therewith and extending from Cronje to Aniline Dye Plant, 1.00 miles; Kirk via Pickands to North Yard (Muskegon, 11.98 miles; the Muskegon Heights Belt Line crossing the Waverly-Pentwater line at Muskegon Heights, 1.40 miles; Muskegon to Port Sherman (South Horn) 4.35 miles; Muskegon to North Muskegon (North Horn), 1.24 miles; from Mears to Hart, 3.78 miles; and including the Union Street Spur at Hart, 1.02 miles; and including the wye connecting tracks at Waverly, 0.23 miles, Mears, 0.21 miles, and Hart, 0.15 miles.

4. A line of railway extending from a connection with the Waverly-Pentwater line at Berry, Michigan, via White Cloud, to a junction with the Pere Marquette Railroad at the east end of the bridge over the Muskegon River at Big Rapids; 51.60 miles, and a wye connecting track with the Grand Rapids-Petoskey line at White Cloud, 0.19 miles.

5. A line of railway extending from a connection with the Grand Rapids-Porter line, about 280 feet east of Oakland Avenue, in Grand Rapids, Michigan, via White Cloud, Baldwin, Boardman and Williamsburg to a connection with the Grand Rapids & Indiana Railroad, near Bay View Street in Bay View, 226.24 miles, with branches connecting therewith and extending from Boardman to the end of the dock tracks at Traverse City, 1.43 miles; Williamsburg to Elk Rapids, 9.51 miles, and including the wye connecting track at Shawmut Avenue, Grand Rapids, 0.06 miles.

6. A line of railway extending from the center of Potter Street passenger station, at Saginaw, Michigan, via Mershon, Coleman, Clare, Baldwin and Walhalla, to the end of the northerly ferry slip at Ludington, 137.66 miles, with branches connecting therewith and extending from Mershon south (West Shore Spur), 1.68 miles; Coleman to Beaverton, 10.92 miles; Coleman to Mt. Pleasant, 14.66 miles; Clare to Harrison, 17.52 miles; Walhalla to Manistee, 26.77 miles, and including from Marsh to Manistee (ME&W), 7.70 miles; the so-called Fourth Ward Spur, 2.65 miles; and the so-called Development Spur, 2.02 miles at Ludington, and including the wye connections at Coleman with the Mt. Pleasant Branch, 0.21 miles, three wye connections at Baldwin, 1.05 miles, and the wye connecting track at Walhalla, 0.32 miles.

7. A line of railway extending from the center of the Potter Street passenger station at Saginaw, Michigan, via Hoyt, McGrew, Plymouth and Steiner, to a connection with the Ann Arbor Railroad near the crossing of the Ann Arbor and the New York Central Railroad at Alexis, Ohio, 130.35 miles, with branches connecting therewith and extending from McGrew to Fostoria, 19.51 miles; Steiner to Quarry, 4.11 miles; and from Alexis to a connection with the Toledo Terminal Railroad at Hallett (Toledo), Ohio, 1.44 miles; and including two wye tracks connecting with the Detroit-Grand Rapids line at Plymouth, 0.76 miles, and a wye connection with the Wabash Railroad at Romulus, 0.11 miles.

8. A line of railway extending from the center of the Potter Street passenger station at Saginaw, Michigan, via Loop Line Switch, What Cheer Switch, South Bay City and Foss, to a connection with the Michigan Central Railroad at Essexville, in the northeasterly part of Bay City, 15.11 miles, with a branch extending from Loop Line Switch, to a connection with the Saginaw-Bad Axe Line near Norman Street, Saginaw, 0.81 miles; from What Cheer Switch to What Cheer Mine, 3.70 miles; from South Bay City to the North American Chemical Company in South Water Street, 1.73 miles; from South Bay City, via Hampton Yard (Belt Line) to a connection with the Saginaw-Bay City line near Foss, 3.88 miles, and an undivided one-half interest in the Detroit & Mackinac Railway from the Junction of the Saginaw-Bay City line at Foss to the north line of the Detroit & Mackinac railroad bridge over the Saginaw River, 0.26 miles; and including a one-half interest in the said Detroit & Mackinac railroad bridge.

9. A line of railway (Saginaw Belt Line) extending from Hoyt (Saginaw), Michigan, via Fordney to Mershon (Saginaw), 9.03 miles; with branches connecting therewith and extending from Fordney to Jamestown, 4.22 miles; from a connection with the Fordney-Jamestown line to Shiawassee mine, 0.92 miles; the so-called Brewster Street Spur, 0.84 miles; Salt Street Spur, 1.04 miles; Improvement Company Spur, 1.13 miles, and including the wye connecting track with the Saginaw-Alexis line at Hoyt, 0.27 miles, and the wye connecting track with the Michigan Central Railroad at Fordney, 0.15 miles.

10. A line of railway extending from a connection with the Saginaw-Alexis line at Hoyt (Saginaw), Michigan, via Tappan, to a junction with the Port Huron-Grindstone City line at the center of the passenger station at Port Huron 87.97 miles; with a branch connecting therewith and extending from Tappan to Almont, 30.06 miles.

11. A line of railway extending from the junction of the Hoyt-Port Huron line, at the center of the passenger station at Port Huron, Michigan, via Poland, Palms and Bad Axe, to Grindstone City, 92.16 miles, with a branch connecting therewith and extending from Poland to Sandusky, 7.39 miles; from Palms to Port Hope, 26.01 miles, and including a wye connecting track at Palms, 0.16 miles.

12. A line of railway extending from the center of the Potter Street passenger station at Saginaw, Michigan, via Bart, to a connection with the Port Huron-Grindstone City line, at a point about 280 feet north of Sand Beach Avenue in Bad Axe, 64.42 miles, with a branch connecting therewith and extending from Bart to Bay Port, 1.67 miles, and including a wye connecting track at Bart, 0.21 miles, and a wye connection with the Port Huron-Grindstone City line at Bad Axe, 0.23 miles.

13. A line of railway extending from a connection with the Michigan Central Railroad at Paines, to the railroad crossing of the Grand Ledge-Big

Rapids line at Edmore and via Stanton, North Greenville and Kidd, to a connection with the Detroit-Grand Rapids line at Elmdale, 102.94 miles, and including two wye connecting tracks at Edmore, 0.32 miles.

14. A line of railway extending from a connection with the Detroit-Grand Rapids line at the junction switch near the passenger station at Grand Ledge, Michigan, via Lyons and Haynor, to a connection with the Paines-Elmdale line, at Kidd, 39.62 miles, and from a connection with the Paines-Elmdale line, just north of the Toledo, Saginaw & Muskegon Railroad crossing at North Greenville, to a connection with the Grand Rapids and Indiana Railway at Howard City, 18.31 miles, and from a connection with the Grand Rapids and Indiana Railway at Howard City to the center of the railroad crossing at the passenger station at Edmore, and from said railroad crossing at Edmore, via Remus and Mecosta, to a junction with the Pere Marquette line described in Paragraph 4, at the east end of the bridge over the Muskegon River at Big Rapids, 57.26 miles, with branches connecting therewith and extending from Haynor to Stanton, 19.64 miles; Remus to Weidman, 13.14 miles; Mecosta to Barryton, 11.23 miles, and the so-called Lyons Spur at Lyons, 0.99 miles.

II

All appurtenances of every of the lines of railway of the Lessor, whether such appurtenances are at the effective date of this lease owned by the Lessor or may thereafter be acquired by it, to wit:

All telegraph and telephone lines, including all poles, wires and instruments, all rights of way, station and depot grounds, all tunnels, roadbeds, spurs, double tracks, turnouts, switches, sidings and turntables, all superstructures, bridges, stringers, ties, rails, frogs, chairs, bolts, splices, signals and signal apparatus and other railroad appurtenances, all terminals and terminal properties, all station houses, warehouses, freight houses, engine houses, car houses, tower houses, yard buildings, water stations, water tanks, water supply, fuel stations, fuel tanks, fuel supply, machine shops and other structures, all engines, tenders, cars and other rolling stock and equipment (including floating equipment), all furniture, machinery, tools, implements, materials and supplies, and all other property, real, personal and mixed, appurtenant to any of said lines of railway and branches, and also all the estate, right, title, interest, property, possession, claim and demand whatsoever, as well in law as in equity, of the Lessor of, in and to said railways, premises and property, and every part and parcel thereof, with the appurtenances, and the franchises appertaining or hereafter to appertain thereto.

SECOND: All terminals and terminal properties, yards, depots, roundhouses, turn-tables, stock yards, side and spur tracks, at the effective date of this lease owned by the Lessor or at any time thereafter acquired by it, and all structures, tracks and improvements, fixtures and appurtenances at the effective date of this lease or at any time thereafter constructed on any thereof and pertaining or to appertain to any thereof, and any and all corporate rights, privileges and franchises at the effective date of this lease or at any time thereafter owned by the Lessor and pertaining or to appertain to any thereof.

THIRD: Any and all additions, improvements and betterments at the effective date of this lease owned or thereafter acquired or constructed to or upon or in connection with any and all lines of railway, extensions, branches, terminal properties, telegraph and telephone lines and lines of water transportation at the effective date of this lease or at any time thereafter acquired and owned by the Lessor; any and all property, real or personal, of every kind and description, at the effective date of this lease owned or at any time thereafter acquired for use upon, or in connection with, or for the purposes of any of such lines of railway, extensions, branches, terminal properties, telegraph and telephone lines, and lines of water transportation.

FOURTH: All leases, and all trackage, traffic and operating contracts and other rights and all renewals and extensions thereof which at the effective date of this lease are owned by the Lessor or used and enjoyed by it in the operation of its properties or which at any time hereafter may be acquired or owned by it.

FIFTH: The following shares of stock:

14,000 shares of the par value of $100 each of the capital stock of The Lake Erie & Detroit

River Railway Company, a corporation organized under the laws of the Dominion of Canada, being all of the capital stock of said Company.

5,158 shares of the par value of $100 each of the capital stock of The Fort Street Union Depot Company, a corporation organized under the laws of the State of Michigan, out of 10,000 shares of the capital stock of said Company outstanding.

5,000 shares of the par value of $100 each of the capital stock of Lake Erie Coal Company, Ltd., a corporation organized under the laws of the Province of Ontario, Dominion of Canada, being all of the capital stock of said Company.

250 shares of the par value of $100 each of the capital stock of Marquette & Bessemer Dock and Navigation Company, a corporation organized under the laws of the State of Michigan, out of 500 shares of the capital stock of said Company outstanding.

6,448 shares of the par value of $100 each of the capital stock of The Toledo Terminal Railroad Company, a corporation organized under the laws of the State of Ohio, out of 40,000 shares of the capital stock of said Company outstanding.

6,926 shares of the par value of $100 each of the capital stock of Flint Belt Railroad Company, a corporation organized under the laws of the State of Michigan, being all of the capital stock of said Company.

2,400 shares of the par value of $100 each of the capital stock of Belt Railway Company of Chicago, a corporation organized under the laws of the State of Illinois, out of 31,200 shares of the capital stock of said Company outstanding.

SIXTH: The following bonds, notes and certificates of indebtedness:

$3,000,000 face value First Mortgage 5% Gold Bonds of The Lake Erie & Detroit River Railway Company dated August 1, 1902 and due August 1, 1932.

$122,000 face value First Mortgage 4½% Bonds of The Toledo Terminal Railroad Company dated November 1, 1907 and due November 1, 1957.

$168,000 face value 5% Certificates of Indebtedness of The Toledo Terminal Railroad Company.

$42,438.27 face value indebtedness of Flint Belt Railroad Company.

$327,000 face value indebtedness of Central Land Company.

$12,000 face value of notes of Mathews & Fisher of Detroit, Michigan.

SEVENTH: All other railways, lines of railway, extensions, branches and bridges, lands, equipment (including floating equipment), rolling stock, property, rights, and generally all property, real and personal, including stocks, bonds, obligations and indebtedness, rights, privileges and franchises owned by the Lessor at the effective date of this lease or at any time thereafter acquired and owned by it.

EIGHTH: All the corporate rights, franchises and privileges of the Lessor necessary to be enjoyed and exercised by the Lessee for the proper maintenance and use, operation and management of the leased properties, including the right to fix and establish from time to time and to collect, receive and appropriate to the Lessee's own use all tolls, rates and charges for the transportation of persons, property and mails not inconsistent with the requirements of such existing or hereafter enacted laws, federal or state, as may be constitutionally enforceable, and also the right to collect, receive and appropriate to the Lessee's own use all other income and revenue of every kind and description, of and from the leased properties; *provided, however,* that nothing herein contained shall operate to grant or demise, or be construed to include, the franchise to be a corporation possessed by the Lessor, or any other right, privilege or franchise of the Lessor which is, or may be, necessary to enable the Lessor to carry out the provisions of this lease, or to fully preserve the corporate existence and organization of the Lessor; and its said franchise to be a corporation, and all the rights, privileges and franchises requisite for the preservation of its corporate existence and organization, and for the proper performance by the Lessor of the terms of this lease, are hereby expressly reserved and excepted from this lease.

NINTH: All property commonly known as current assets (except as provided in the following clause Tenth), including cash on hand or deposited in banks,

special deposits, time deposits, notes, accounts and bills receivable, obligations of the United States of America, materials and supplies on hand or in transit, prepaid insurance premiums, discounts prepaid upon bills payable, prepaid taxes and all other prepayments, traffic and car service balances receivable, net balances receivable from agents and conductors and interest and dividends receivable.

TENTH: All other property of the Lessor, real, personal and mixed, of whatsoever kind and wheresoever situated, whether owned by the Lessor at the effective date of this lease or at any time thereafter acquired and owned by it, excepting only

(1) the books and records of the Lessor (other than those relating to the operation and accounts of the leased properties, which shall be turned over to the Lessee);

(2) deposits for the payment of dividends upon the shares of the outstanding capital stock and for the payment of interest upon the outstanding bonds and other obligations of the Lessor; and

(3) the payments to be made by the Lessee to and for account of the Lessor under this lease, and the rights of the Lessor against the Lessee arising out of this lease or out of the covenants and agreements of the Lessee herein contained.

TO HAVE AND TO HOLD the leased properties and their appurtenances, together with the proceeds, rents, issues and profits thereof, unto the Lessee, its successors and assigns, for its and their own proper use and benefit, from the day of , 1925, for the term of Nine Hundred and Ninety-nine (999) years then next ensuing;

SUBJECT, HOWEVER, to the lien or charge of the following described instruments insofar as the same may by their terms respectively attach to any part or parts of the leased properties, namely:

(1) First Mortgage and Deed of Trust dated July 1, 1916, to Bankers Trust Company and Hugh McK. Landon, as Trustees;

(2) Equipment Trust Agreement (Equipment Trust No. 63), dated January 15, 1920, between Walker D. Hines as Director General of Railroads; the Lessor; and Guaranty Trust Company of New York, as Trustee;

(3) First Mortgage dated August 1, 1902, of The Lake Erie & Detroit River Railway Company to National Trust Company, Ltd. (of Toronto), as Trustee.

(4) Collateral Trust Indenture dated June 15, 1903, between Pere Marquette Railroad Company and Morton Trust Company (now Guaranty Trust Company of New York), as Trustee.

AND SUBJECT ALSO to all other existing mortgages and other liens upon and trusts affecting the leased properties or any part thereof, and to all valid contracts, agreements and covenants relating thereto or to any part thereof, and, to the full extent to which the leased properties are now so subject, to the Lessor's entire funded and other debts, obligations and liabilities, fixed and contingent, whether or not herein specifically mentioned or referred to; the Lessee, its successors and assigns yielding and paying therefor to or for account of the Lessor, its successors and assigns, at the times and in the manner hereinafter provided, the amounts hereinafter specified, and keeping and performing all and singular the covenants and agreements hereinafter set forth to be kept and performed by the Lessee.

And it is hereby further mutually covenanted and agreed by and between the parties hereto as follows:

ARTICLE ONE

CAPITAL STOCK OF LESSOR AND LESSEE

SECTION 1. The Lessor covenants that it has an authorized capital stock of Sixty-eight Million Six Hundred Seventy-five Thousand Dollars ($68,675,000), divided into Six Hundred Eighty-six Thousand Seven Hundred and Fifty (686,750) shares of the par value of One Hundred Dollars ($100) each, consisting of One Hundred Twelve Thousand (112,000) shares of Prior Preference Stock, One Hundred Twenty-four Thousand Two Hundred and Ninety (124,290) shares of Preferred Stock and Four Hundred Fifty Thousand Four Hundred and Sixty (450,460)

shares of Common Stock; all of which shares of stock, Prior Preference Stock, Preferred Stock and Common Stock, have been issued and are outstanding in the hands of the public.

SECTION 2. The Lessee covenants that it has an authorized capital stock of Three Hundred Forty-five Million Dollars ($345,000,000) divided into Three Million Four Hundred Fifty Thousand (3,450,000) shares of the par value of One Hundred Dollars ($100) each, of which One Million Five Hundred Fifty Thousand Five Hundred (1,550,500) shares are six per cent. (6%) cumulative preferred stock, Series "A" (hereinafter called Preferred Stock, Series "A", of the Lessee), and One Million Eight Hundred Ninety-nine Thousand Five Hundred (1,899,500) shares are Common Stock. Of said authorized capital stock of the Lessee there remains unissued a sufficient number of shares of Preferred Stock, Series "A", and of Common Stock of the Lessee for the purposes set forth in Article Two of this lease which the Lessee is duly authorized to issue for such purposes.

ARTICLE TWO

COVENANTS OF LESSEE

The Lessee covenants with the Lessor as hereinafter in this Article Two set forth:

SECTION 1. (1) To give notice of this lease, promptly after the execution and delivery hereof, to each and every holder of a share or shares of the capital stock of the Lessor, by a notice in writing, setting forth in full this Section 1, a copy of which notice shall be mailed to each such stockholder at his last-known post office address as shown by the records of the Lessor, or, in case no such address shall be so shown, then in care of the Lessor's secretary, and shall be published at least once a week for three successive weeks in one newspaper of general circulation in the City of New York; and (2) to issue at any time within one year from the date of the execution and delivery of this lease, upon demand of holders of shares of the capital stock of the Lessor and without expense to them (except as hereinafter provided in respect of adjustment of dividends), in exchange for and upon surrender to the Lessee, either at its principal office, 1200 Marshall Building, Cleveland, Ohio, or at the office of J. P. Morgan & Co., 23 Wall Street, New York City, of the certificates for the shares of the capital stock of the Lessor

held by them respectively, properly endorsed in blank for transfer or accompanied by proper instruments of assignment executed in blank, certificates for shares of the capital stock of the Lessee, upon the following bases:

For each One Hundred (100) shares of Prior Preference Stock of the Lessor, one hundred (100) shares of Preferred Stock, Series "A", of the Lessee;

For each One Hundred (100) shares of Preferred Stock of the Lessor, ninety (90) shares of Preferred Stock, Series "A", of the Lessee; and

For each One Hundred (100) shares of Common Stock of the Lessor, eighty-five (85) shares of Common Stock of the Lessee.

Should any stockholder of the Lessor be entitled to receive a fraction of a share of stock of the Lessee upon any exchange as aforesaid, a certificate of ownership thereof shall be issued to him. Such certificate shall provide that, when certificates for fractions of shares of stock equal to one or more whole shares shall be presented and surrendered to the Lessee, a certificate for a full share or full shares of its stock, equivalent in amount to the aggregate of such fractions of shares, shall be issued in place thereof, but fractions of shares shall not be entitled to any interest or dividends, nor shall any holder thereof be entitled to vote thereon at any meeting of the Lessee's stockholders or to notice of any such meeting.

All shares of stock of the Lessor received by the Lessee upon any exchange as aforesaid shall become and be the property of the Lessee, to be thereafter held or disposed of by it as it may in its discretion determine.

Upon any exchange of stock as aforesaid, there shall be a dividend adjustment as follows, to wit:

It is contemplated that dividends on the Lessee's stock, both Preferred Stock, Series "A", and Common Stock, will be paid on the first days of January, April, July and October for the quarters consisting of the three calendar months next respectively preceding, and that such dividends will be payable to stockholders of record at the close of business on the fifteenth days of November, February, May and August of the quarters for which the dividends are respectively paid.

It is contemplated that dividends on the Lessor's Prior Preference Stock and Preferred Stock (other than stock of the Lessor owned by the Lessee) will continue to be paid on the first days of February, May, August and November for the quarters consisting of the three calen-

dar months next respectively preceding, and that dividends on the Lessor's Common Stock (other than stock of the Lessor owned by the Lessee) will continue to be paid on the first days of January, April, July and October for the quarters consisting of the three calendar months next respectively preceding, and that such dividends will in each case be payable to stockholders of record at the close of business on the fifteenth day of the month next preceding the date of such dividend payment.

Upon the exchange of any shares of Prior Preference Stock or of Preferred Stock of the Lessor for Preferred Stock, Series "A", of the Lessee, between the close of business on January 15 and February 15, or April 15 and May 15, or July 15 and August 15, or October 15 and November 15, the stockholder shall, as a condition precedent to receiving the certificate for the Lessee's stock as aforesaid, pay to the Lessee in cash fifty cents (50¢) for each share of the Lessee's stock to be delivered in exchange.

Upon the exchange of any shares of Prior Preference Stock or of Preferred Stock of the Lessor for Preferred Stock, Series "A", of the Lessee, between the close of business on February 15 and April 15, or May 15 and July 15, or August 15 and October 15, or November 15 and January 15, the Lessee shall, in addition to delivering the certificate for its stock as aforesaid, pay to the stockholder in cash one dollar ($1.00) for each share of the Lessee's stock to be delivered in exchange.

Upon the exchange of any shares of Common Stock of the Lessor for Common Stock of the Lessee, between the close of business on December 15 and February 15, or March 15 and May 15, or June 15 and August 15, or September 15 and November 15, there shall be no dividend adjustment.

Upon the exchange of any shares of Common Stock of the Lessor for Common Stock of the Lessee, between the close of business on February 15 and March 15, or May 15 and June 15, or August 15 and September 15, or November 15 and December 15, the Lessee shall, in addition to delivering the certificate for its stock as aforesaid, pay to the stockholder in cash one dollar and fifty cents ($1.50) for each share of the Lessee's stock to be delivered in exchange.

If the first or fifteenth day of any month shall fall on a Sunday or a legal holiday, the next succeeding business day shall take its place.

If any change should be made in the dates of dividend payments or in the taking of a record of stockholders for

such payments or in the rate of dividends on stock of the Lessee, the dividend adjustment shall be changed correspondingly.

SECTION 2. (A) To give notice of this lease, within sixty (60) days after the execution and delivery hereof, to each and every holder of a share or shares of the capital stock of the Lessor who shall not theretofore, by vote or otherwise, in person or by proxy, as to his said share or shares, have assented to this lease. Such notice shall be in writing, and shall set forth in full Sections 1 and 2 of this Article, and a copy thereof shall be mailed to each of such stockholders, hereinafter in this Section referred to as "non-assenting stockholders", at his last-known post office address as shown by the records of the Lessor, or, in case no such address shall be so shown, then in care of the Lessor's secretary.

(B) To pay in cash to, or to deposit in cash with to the credit of, each non-assenting stockholder who shall be dissatisfied with this lease and who shall, at any time within sixty (60) days from the date of the mailing of the notice provided for in part (A) of this Section, signify his dissent and demand payment, pursuant to the provisions of this part (B) of this Section, for his non-assenting share or shares, by notice in writing signed by him and delivered to the Lessee's secretary, upon the surrender and transfer of the certificate or certificates representing his said non-assenting share or shares as hereinafter provided, and in full compromise, settlement and adjustment of all his claims, rights and objections in the premises, and if, but not unless, this lease shall have continued and shall then be in full force and effect, the average market value (determined as hereinafter provided) of his said non-assenting share or shares for the six months next preceding the day of the meeting of stockholders of the Lessor at which this lease was approved, to wit....., 1925, without regard to any depreciation or appreciation in consequence of this lease, together with interest on such value at the rate of six per centum (6%) per annum from the effective date of this lease to the date of the payment of the amount of such value and interest to said stockholder, or of the deposit thereof to his credit; *provided, however,* that if the market prices, or any of them, during said period were or shall be abnormally enhanced or depressed in contemplation of this lease or otherwise, evidence other than proof of market sales during that

period may be resorted to for the purpose of showing such average market value. After so signifying his dissent and demanding payment, the non-assenting stockholder may not recant his action in this regard or assert any right or avail himself of any remedy whatever except as in this part (B) of this Section provided. If any such non-assenting stockholder and the Lessee cannot agree as to such average market value, computed under the terms and conditions above provided, it shall be determined and fixed, pursuant to said terms and conditions, by three appraisers to be appointed, upon application and notice as hereinafter provided, by the Interstate Commerce Commission or in such manner as said Commission may provide, or, in case said Commission shall fail within thirty (30) days after such application either to appoint such appraisers or to provide the manner of their appointment, then to be appointed by a Judge of the United States District Court for the Eastern District of Michigan.

Any such application may be made either by said non-assenting stockholder or by the Lessee within the times following:

(1) To the Interstate Commerce Commission, within thirty (30) days after said non-assenting stockholder shall have so signified his dissent and demanded payment;

(2) In case said Commission shall fail or refuse to act within thirty (30) days after such application, then, within thirty (30) days thereafter, to said United States District Judge;

and the applying party shall give to the other party at least ten (10) days' written notice of each such application, which notice must specify the time when and the place where such application will be made; but if, at the expiration of any such period of thirty (30) days, the person in whose name said share or shares shall stand on the books of the Lessor shall not be living or shall be under any disability, his executor, administrator, guardian, committee, conservator, or other proper representative, as the case may be, shall be entitled to make such application within thirty (30) days thereafter upon like notice. If said Judge shall fail within thirty (30) days after such application to him to appoint such appraisers, then such average market value, computed under the terms and conditions above provided, shall be determined and fixed, pursuant to the said terms and conditions, by an appraiser selected and designated for the purpose by

the non-assenting stockholder, and an appraiser selected and designated for the purpose by the Lessee, and a third appraiser to be chosen by these two.

Any vacancy in the board of appraisers occurring by refusal or failure to serve, or otherwise, shall be filled by the remaining member or members of the board.

The appraisers shall be entitled to reasonable compensation for their services and to reimbursement for their necessary and reasonable expenses, and such compensation and expenses shall be paid by the Lessee.

The appraisers shall meet at a time and place to be selected by them and of which ten (10) days' written notice shall be given by them to each party, and, after being duly sworn honestly and faithfully to discharge their duties, they, or any two of them, shall estimate and certify such average market value and deliver one copy of their appraisal to each party. Their appraisal, or that of any two of them, shall be final and conclusive upon both parties.

When the Lessee shall have paid to said non-assenting stockholder the amount of such value, whether determined and fixed by agreement or by appraisal, as aforesaid, together with interest thereon, as hereinbefore provided, or shall have deposited the same to his credit with said non-assenting stockholder shall cease to have any title to or interest in said share or shares or in the property of the Lessor, and all such title and interest shall pass to and vest in the Lessee.

As an express condition precedent to receiving payment or withdrawing such deposit said non-assenting stockholder shall deliver to the Lessee or, in case such deposit shall have been made with said , then to said , his said non-assenting share or shares and the certificate or certificates representing the same, duly endorsed in blank for transfer or accompanied by proper instruments of transfer executed in blank, and said share or shares, together with all rights and interests thereunto belonging and appertaining, including all cash, securities and other benefits accruing to said share or shares from or by reason of this lease, or otherwise, shall thereupon become and be the property of the Lessee.

(C) To buy and pay for, in such amount and manner, the non-assenting share or shares of any such non-assenting stockholder who shall not have elected to make settlement pursuant to the foregoing part (B) of this Section, as may be finally ordered, adjudged, decreed or deter

mined by the order, judgment, decree or determination of any court, commission or other tribunal, state or federal, of competent jurisdiction, and to hold the Lessor, its directors, officers, agents and employees, harmless against any payment, claim or liability which may be so ordered, adjudged, decreed or determined; *provided, however,* that the Lessee shall have the right, which is hereby expressly reserved, to remove, pursuant to the statutes in such case made and provided, any action, suit or proceeding instituted by said stockholder, from the court or tribunal in which same shall be pending to any other court or tribunal, state or federal, and to procure the review or enjoin the enforcement of any such order, judgment, decree or determination either by appeal, writ of error, certiorari, suit in equity or otherwise, pursuant to law and the statutes in such case made and provided, by any court or tribunal, state or federal, having jurisdiction to review or enjoin the enforcement of the same; and *provided, further,* that nothing herein contained shall require the Lessee to buy any such share or shares or to make any such payment as long as the Lessee in good faith and by appropriate legal proceedings shall contest the validity of or seek to review any such order, judgment, decree or determination, and that nothing in this Section shall be construed to create any right, obligation or presumption in favor of any non-assenting stockholder or any other person who shall not elect, subscribe to and be governed by the provisions of said part (B) of this Section, it being the true intent and purpose of all provisions of this Section in respect of non-assenting stockholders that no covenants, agreements or arrangements herein shall be construed as creating any right against or obligation on the part of the Lessee or the Lessor, or any presumption of any such right or obligation, except as in part (B) of this Section expressly provided, and except the contingent obligation of the Lessee to the Lessor provided in this part (C) of this Section. Except where non-assenting stockholders shall accept and elect and be governed by the provisions of part (B) of this Section, the Lessee shall be free to deny or contest in good faith not only the amount but the fact of any liability to dissenting or non-assenting stockholders, and to any or all classes of such stockholders.

(D) Anything hereinbefore in this Section to the contrary notwithstanding, no non-assenting stockholder of the Lessor who shall, separately or in conjunction

with any other stockholder or stockholders of the Lessor, either in his or their own name or names, or otherwise, institute or cause to be instituted, or voluntarily become, by intervention or otherwise, a party to, any action, suit or other proceeding in or before any court, commission or tribunal, state or federal, for the purpose of enjoining or otherwise preventing the authorization, approval, execution or delivery of this lease, or of voiding or setting aside this lease, or of recovering the value of his or their share or shares of stock of the Lessor or of asserting any claim or objection in respect thereof except as provided by part (B) of this Section, shall have any rights, privileges or powers whatsoever under this Section, it being the true intent and purpose of all of the provisions of this Section in respect of non-assenting stockholders that any such stockholder who shall be dissatisfied with this lease shall irrevocably elect the exclusive right or remedy under part (B) of this Section which he shall desire to assert or invoke in the premises or be remitted to the remedies, if any, provided by law.

SECTION 3. To pay to the Lessor, from time to time, at the office of the Lessor in the Borough of Manhattan, City and State of New York, in funds current at the New York Clearing House, the amounts in this Section set forth as hereinafter in this Section provided, that is to say:

(1) In case of the payment of any dividend, for any quarterly or other period, at the rate of six per centum (6%) per annum upon the Preferred Stock, Series "A", of the Lessee, to pay to the Lessor an amount equal to a dividend for the same period at the rate of five per centum (5%) per annum, and, in case of the payment of any dividend at the rate of more or less than six per centum (6%) per annum upon said Preferred Stock, Series "A", to pay to the Lessor a proportionately greater or less amount, as the case may be, upon each share of Prior Preference Stock and of Preferred Stock of the Lessor outstanding and not at the date of such payment owned by the Lessee and registered on the books of the Lessor either in the name of the Lessee or in the name of a nominee of the Lessee of which written notice shall have been given to the Lessor.

(2) In case of the payment of any dividend, for any quarterly or other period, at the rate of six per centum (6%) per annum upon the Common Stock of the Lessee, to pay to the Lessor an amount equal

to a dividend for the same period at the rate of four and one-half per centum (4½%) per annum, and, in case of the payment of any dividend at the rate of more or less than six per centum (6%) per annum upon said Common Stock, to pay to the Lessor a proportionately greater or less amount, as the case may be, upon each share of Common Stock of the Lessor outstanding and not at the date of such payment owned by the Lessee and registered on the books of the Lessor either in the name of the Lessee or in the name of a nominee of the Lessee of which written notice shall have been given to the Lessor.

Payment of the amounts to be paid by the Lessee as provided in the foregoing paragraph (1) shall be made by the Lessee concurrently with the payment by it of dividends on its Preferred Stock, Series "A"; and the obligation of the Lessee to make the payments referred to in said paragraph (1) shall rank *pari passu* with its obligation to pay dividends on said Preferred Stock, Series "A". Payment of the amounts to be paid by the Lessee as provided in the foregoing paragraph (2) shall be made by the Lessee concurrently with the payment by it of dividends on its Common Stock; and the obligation of the Lessee to make the payments referred to in said paragraph (2) shall rank *pari passu* with its obligation to pay dividends on its Common Stock.

The Lessee hereby waives, as to any shares of the capital stock of the Lessor owned by the Lessee and registered on the books of the Lessor either in the name of the Lessee or in the name of a nominee of the Lessee, of which written notice shall have been given to the Lessor, at the date of each and every payment made by the Lessee to the Lessor as provided in the foregoing paragraphs (1) and (2), all right to participate as a stockholder of the Lessor in any dividend or distribution which may be paid by the Lessor in anticipation or as a result or by reason of such payment. For all other purposes and in all other respects, the Lessee shall have all rights of a stockholder with respect to stock of the Lessor at any time owned by the Lessee.

Nothing herein contained shall restrict the Lessee from creating and/or issuing, at any time, additional shares of its capital stock, Preferred and/or Common, whether of the classes now authorized or of any class or classes hereafter created. If either the Preferred Stock, Series "A", or the Common Stock of the Lessee should be exchanged or converted as a class into stock of a consolidated or other successor corporation or into

stock of the Lessee of other classes, the amount of dividends on the share or shares issued upon any such exchange or conversion for a share of Preferred Stock, Series "A", or of Common Stock of the Lessee shall be substituted as the basis for computation and adjustment of rental in place of the dividends upon the Preferred Stock, Series "A", or Common Stock of the Lessee above specified in this Section as the basis for computation and adjustment of rental; and if either the Preferred Stock, Series "A", or the Common Stock of the Lessee should be retired or cancelled as a whole without substitution of other shares therefor, then the rental payments thereafter shall be the amounts which the Lessee would be required to pay under the provisions of this Section if such stock were still outstanding and dividends at the rate of six per centum (6%) per annum were being paid thereon, quarterly.

SECTION 4. (A) To pay to or upon the written order of the Lessor, on the first day of each month during the continuance of this lease, such sums as may from time to time be necessary to maintain and preserve the corporate existence of the Lessor, with such organization as may be necessary for the purposes of the Lessor under this lease; also such sums as will enable the Lessor to provide for and pay all necessary expenses and disbursements in connection with any and all acts, steps or things required to be done by or on behalf of the Lessor pursuant to any of the provisions of this lease or required by law or by any public authority. The amounts so to be paid shall be determined by agreement between the boards of directors of the Lessor and the Lessee and shall remain in force until changed by said boards of directors. In case of disagreement the matter shall be referred to arbitration in the manner provided in Article Eight of this lease, and the Lessor and the Lessee shall abide by the result of such arbitration.

(B) To establish with the Lessor, upon the effective date of this lease, a working fund in an amount which shall not, without the consent of the Lessee, exceed $. Such working fund and all interest thereon or proceeds therefrom shall be and shall remain at all times the property of the Lessee and shall be repaid by the Lessor to the Lessee at the expiration of this lease or, at the option of the Lessor, prior to such expiration, and such earlier repayment may be either in whole or in part. The Lessor shall have the right to use such working fund or any part thereof necessary for either or both of the following purposes:

(1) For the payment, upon the established divi-

dend dates of the Lessor, of dividends upon the outstanding shares of the capital stock of the Lessor (other than upon stock of the Lessor owned by the Lessee and registered in its name or in the name of its nominee) in anticipation of the receipt from the Lessee, within the next three months following, of rental payments sufficient for such dividends of the Lessor under the provisions of Section 3 of this Article, *provided* (*a*) that no dividends from such working fund shall be paid at a rate in excess of five per centum (5%) per annum upon the Prior Preference Stock or upon the Preferred Stock of the Lessor or at a rate in excess of four and one-half per centum (4½%) per annum upon the Common Stock of the Lessor; and (*b*) that the Lessor shall, upon the receipt by it of rental payments under the provisions of said Section 3, forthwith reimburse said working fund with the amount by which such fund shall have been depleted by reason of dividend payments by the Lessor therefrom.

(2) For the payment of expenses of maintaining the corporate existence and organization of the Lessor, provided for in part (A) of this Section 4, in anticipation of the receipt by the Lessor of payments from the Lessee for such expenses as provided in said part (A). The Lessor shall, upon the receipt by it of payments for such expenses as provided in said part (A), from time to time forthwith reimburse said working fund with the amount by which such fund shall have been depleted by reason of payments for expenses by the Lessor therefrom.

If at any time or from time to time during the continuance of this lease it should become apparent that the working fund as initially established is larger than the Lessor shall reasonably require for the purposes aforesaid, the Lessor agrees to repay to the Lessee at that time such amount as shall not then be necessary for such purposes. If at any time thereafter it should become apparent that the working fund as so reduced is insufficient for such purposes of the Lessor, the Lessee shall re-establish the fund, temporarily or for such periods as may be required, to the extent necessary for such purposes, but not exceeding the amount above specified.

SECTION 5. From time to time, to pay and discharge, or to cause to be paid and discharged, as and when the same become due and payable, all lawful taxes, assessments and governmental charges which, prior to the effective date of this lease, may have been, or which,

during the continuance of this lease, may be, lawfully levied, imposed or assessed upon the Lessor or upon the leased properties, or upon the companies or properties of companies controlled by the Lessor and which then may be operated by the Lessee as part of the Lessor's transportation system, or upon or in respect of the earnings or income of the Lessor or of any such companies or properties, or upon or in respect of the amounts payable by the Lessee under this lease, including specifically, but without in any manner limiting the foregoing, all income and/or excess profits taxes so levied, imposed or assessed by the United States or by any state thereof or by the Dominion of Canada or by any province thereof or by any other foreign country, but not including any tax or taxes payable by any stockholder of the Lessor or, in respect of any such controlled companies, by any stockholder, other than the Lessor, of any such controlled company.

With the consent of the board of directors of the Lessor, the obligation of this Section 5, with respect to such controlled companies of the Lessor, may cease and determine in whole or in part.

SECTION 6. From time to time, to pay, or to cause to be paid, as and when such interest shall become due and payable, amounts equal to all interest which during the continuance of this lease may become due and payable (1) upon any and all bonds, notes and other obligations and evidences of indebtedness heretofore issued, incurred or assumed by the Lessor and now outstanding, (2) upon the three million dollars ($3,000,000) principal amount of Four and One Half Per Cent. (4½%) Gold Bonds (Lake Erie and Detroit River Division) of Pere Marquette Railroad Company issued and outstanding under a certain collateral trust indenture dated June 15, 1903, between said Railroad Company and Morton Trust Company (now Guaranty Trust Company of New York) as trustee, and (3) upon any and all other bonds, notes and other obligations and evidences of indebtedness which may at any time hereafter be issued by the Lessor as provided in Section 4 of Article Four of this lease. Such payments, at the option of the Lessee, may be made either to the Lessor or to the obligees of such securities.

From time to time to pay, or to cause to be paid, as and when such dividends shall be declared and shall become due and payable, amounts equal to all dividends which during the continuance of this lease may be declared and which may become due and payable upon any and all shares of stock which may at any time hereafter be issued by the Lessor as provided in Section 4 of Article

Four of this lease. Such payments, at the option of the Lessee, may be made either to the Lessor or to the holders of such shares of stock.

SECTION 7. From time to time to pay, or to cause to be paid, as and when the same become due and payable, all rentals and other charges which, during the continuance of this lease, may become due and payable under any lease or any traffic, trackage or other operating contract, or under any other contract of whatsoever kind, heretofore entered into or assumed or accepted by the Lessor and now in force, or which may at any time hereafter be entered into by the Lessor with the approval of the Lessee; *provided, however,* that the Lessee shall have the right, subject to the provisions of existing mortgages, to secure the modification, amendment or abrogation of any such lease or of any such traffic, trackage, operating or other contract in any proper or lawful way and to use the name and powers of the Lessor for any such purpose; and *provided further,* that the general integrity and continuity of the transportation system of the Lessor shall not in any event be impaired thereby without the consent of the Lessor's board of directors.

SECTION 8. To insure and keep insured, during the continuance of this lease, the buildings and other structures, rolling stock and other equipment (including floating equipment), tools and machinery and all other property appurtenant to the leased properties usually insured by railway companies and in the same manner and to the same extent, and to cause each of the companies controlled by the Lessor to insure and keep insured, during the continuance of this lease, the property of such company usually insured by companies of like character, and in the same manner and to the same extent.

With the consent of the board of directors of the Lessor, the obligation of this Section 8 may cease and determine in whole or in part.

SECTION 9. To keep, perform and observe, or to cause to be kept, performed and observed, during the continuance of this lease, all the valid covenants, terms and conditions to be kept, performed and observed by the Lessor contained in any and all mortgages, trust agreements, leases and traffic, trackage and other operating contracts, and under any other contracts of whatsoever kind, heretofore entered into or assumed or accepted by the Lessor and now in force, and under the collateral trust indenture of Pere Marquette Railroad Company referred to in Section 6 of this Article, or which may at any time hereafter be entered into by the Lessor with the approval

of the Lessee, as provided in Section 6 of Article Four hereof, as fully as the Lessor is bound to keep, perform and observe the same; *provided, however,* that the Lessee shall have the right, subject to the provisions of existing mortgages, to secure the modification, amendment or abrogation of any such lease, or of any such traffic, trackage, operating or other contract in any proper and lawful way and to use the name and powers of the Lessor for any such purpose; and *provided further* that the general integrity and continuity of the transportation system of the Lessor shall not in any event be impaired thereby without the consent of the Lessor's board of directors.

SECTION 10. To pay, satisfy and discharge, or to cause to be paid, satisfied and discharged, duly and punctually, all current obligations and liabilities of the Lessor existing at the effective date of this lease.

SECTION 11. To indemnify and save harmless the Lessor and companies whose properties are operated by the Lessee as part of the Lessor's transportation system of and from any and all losses, expenses, costs, damages, claims and demands whatsoever existing at the effective date of this lease or which at any time during the continuance of this lease may arise out of the operation or maintenance of the leased properties, or of the properties of companies whose properties are operated by the Lessee as part of the Lessor's transportation system, or any part thereof, or by reason of any omission on the part of the Lessee, its agents or employees, to perform any duty, act or thing required by law or by this lease to be performed in or about the maintenance or operation of the same; and, generally, in respect of the leased properties and the maintenance, management and operation thereof during the continuance of this lease, to observe, perform and fulfill all duties and obligations which now rest or may hereafter be imposed upon the Lessor or companies whose properties are operated by the Lessee as part of the Lessor's transportation system under or by virtue of law or otherwise to the same extent and effect as the Lessor or such companies would be compelled to observe, perform and fulfill such duties and obligations if this lease had not been made; and to defend, without expense to the Lessor or such companies, any and all actions, suits and proceedings now pending, or which during the continuance of this lease shall be brought, against the Lessor or such companies upon causes of action accruing prior to the effective date of this lease or as the result of anything done by the Lessee or at the Lessee's request during the continuance of this lease.

SECTION 12. To maintain, keep and preserve, at all times during the continuance of this lease, in as good state and condition as when received, and at its own proper cost and without expense to the Lessor, all of the physical properties hereby leased and, during the period that such properties shall be operated by the Lessee, all of the physical properties of companies controlled by the Lessor and which at the time may be operated by the Lessee as part of the Lessor's transportation system, except such parts thereof as may be sold or otherwise disposed of, abandoned or retired as in this lease provided; and to comply with all valid orders of public authorities in connection with the operation and maintenance of such properties. Whenever during the continuance of this lease any of the rolling stock or other equipment (including floating equipment) turned over to the Lessee under this lease, or any replacement thereof, shall be damaged or destroyed or shall otherwise become unfit for the use for which it was intended, the Lessee at its own cost and expense shall cause the same to be repaired, renewed, replaced or rebuilt, or, if such repair, renewal, rebuilding or replacement in kind shall in the opinion of the Lessee be inexpedient, then the Lessee shall replace such rolling stock or other equipment (including floating equipment) with other rolling stock or other equipment (including floating equipment) of a value equal to the value, at the effective date of this lease, of that not so replaced in kind, and all such new rolling stock and other equipment (including floating equipment) shall thereupon be and become the property of the Lessor but subject to this lease, and the Lessee shall not be entitled to be reimbursed by the Lessor for the cost of any such repair, renewal, rebuilding or replacement. If, during the continuance of this lease, any part or parts of the physical properties hereby leased or of the physical properties of companies controlled by the Lessor and which at the time may be operated by the Lessee as a part of the Lessor's transportation system, other than rolling stock and other equipment (including floating equipment), shall be sold or otherwise disposed of, abandoned or retired by the Lessee, the Lessee shall account to the Lessor at the termination of this lease for the original cost, estimated if not known, of the same.

SECTION 13. To furnish annually to the Lessor, on or before May 1 in each year, commencing May 1, 1926, a detailed list of rolling stock and other equipment (including floating equipment) owned by the Lessor and leased to the Lessee on the preceding December 31, showing the number of units, capacity, tractive effort and book value thereof.

SECTION 14. To permit the Lessor from time to time, but not oftener than once in any twelve (12) months, to make such reasonable inspection of the leased properties and of the books and records of the Lessee relating thereto as the Lessor shall desire.

SECTION 15. To operate and develop, or to cause to be operated and developed, to its best ability, by itself or through others, the leased properties at all times during the continuance of this lease.

SECTION 16. At the expiration or termination (otherwise than as provided in Article Five) of this lease, to return to the Lessor the leased properties received by the Lessee, with such extensions, improvements, additions and betterments as shall have been made thereto, subject to the provisions of Article Seven hereof.

ARTICLE THREE

COVENANTS OF THE LESSOR

The Lessor covenants with the Lessee as hereinafter in this Article Three set forth:

SECTION 1. To preserve, or extend, or renew, and maintain, during the continuance of this lease, to the extent of its rights and powers, its corporate existence, with such organization as may be necessary for its purposes under this lease, and, to that end, from time to time to comply with whatever is or may be required of it by law, and to take all necessary proceedings for that purpose.

SECTION 2. At any and all times during the continuance of this lease, upon the written request and at the expense of the Lessee, to exercise and put in force each and every corporate power and franchise and do each and every corporate act necessary, proper or desirable to carry out the provisions of this lease and to enable the Lessee to avail itself of and to use, exercise and enjoy the leased properties, and the proceeds, rents, issues and profits thereof, and the rights, powers, privileges and franchises hereby granted in respect thereof; and, to the extent of its rights and powers, to execute, acknowledge and deliver to the Lessee such

other and further instrument or instruments in writing, and under the corporate seal of the Lessor, as may be necessary, proper or desirable better and more effectively to confirm and secure to the Lessee, its successors and assigns, the leased properties, and the proceeds, rents, issues and profits thereof, upon the terms and conditions in this lease expressed or intended and so to carry into effect the intent and meaning of this lease in relation thereto.

SECTION 3. At any time and from time to time during the continuance of this lease, upon the written request and at the expense of the Lessee, to take all such lawful and proper measures and proceedings and do and perform, to the extent of its rights and powers, such lawful acts and things, as may be necessary, proper or desirable for the acquisition or procurement, by condemnation or otherwise, of any land, properties, privileges or franchises needed for or useful in the operation of the leased properties, or in connection therewith, or as may be necessary, proper or desirable to facilitate in any respect the increase, completion or improvement thereof, or of their capacity, by extension, enlargement, addition, or otherwise, or the more convenient, safe or profitable use or operation thereof, or for the protection and preservation of the same and of the rights and franchises connected therewith, or for maintaining the Lessee in the full and free enjoyment, during the continuance of this lease, of the leased properties and their appurtenances and proceeds and said rights and franchises.

SECTION 4. If hereafter it shall appear to the Lessee that the line or lines, route or routes, grade or grades of the railroads of the Lessor's transportation system, as theretofore adopted, or any of them, can, by a change thereof, be improved (provided always that the general integrity and continuity of the transportation system of the Lessor shall in no event be impaired without the consent of the board of directors of the Lessor), to take or cause to be taken from time to time, to the extent of its rights and powers, upon the written request and at the expense of the Lessee, such proceedings as may be deemed necessary by the Lessee for that purpose and to acquire, as hereinbefore provided, any and all additional lands, rights and privileges requisite for the purpose of making such changes.

SECTION 5. Upon the written request and at the expense of the Lessee, from time to time, to institute and

prosecute in its own or other proper name any and all proper proceedings for the purpose of acquiring the right to cross, intersect or connect with any and all other railroads, rivers, canals, other waters, or public highways or properties, which it shall or may become necessary or desirable to cross, intersect or connect with, in connection with the operation by the Lessee of the Lessor's transportation system, or improvement or extension thereof.

SECTION 6. That the Lessee shall have the right and power, at all times during the continuance of this lease, to extend, enlarge, add to, improve or better the railroads and other physical properties hereby leased and the physical properties of companies controlled by the Lessor and which at the time may be operated by the Lessee as part of the Lessor's transportation system, or any of them, in such manner and to such extent as the Lessee may deem desirable.

SECTION 7. The capital expenditures made by the Lessee under the provisions of Sections 3, 4, 5 and 6 of this Article shall be at the expense of the Lessee; but the Lessee shall be entitled to reimbursement therefor by the Lessor to the extent and otherwise as provided in Article Four of this lease.

SECTION 8. That the Lessee shall, at all times during the continuance of this lease, have all the rights and powers of the Lessor to arrange, use and control the leased properties and the properties of companies controlled by the Lessor and at the time operated by the Lessee as part of the Lessor's transportation system, and the proceeds thereof, and to regulate and determine the rates of tolls, freight and charges of transportation over the whole or any part thereof, and to charge and collect the same and appropriate the same to its own use; and shall have, hold, use, exercise and enjoy all rights, powers, privileges and franchises now possessed or which may hereafter be acquired by the Lessor, necessary or convenient to the use, possession, enjoyment, management, betterment, extension or operation of all such properties and their appurtenances, proceeds, rents, issues and profits, as herein provided, which can or may be lawfully exercised or enjoyed on or about or in connection with all such properties, or any part thereof, or their appurtenances, proceeds, rents, issues or profits, or the use, maintenance, betterment, extension or operation of the same.

SECTION 9. That the Lessee may, from time to time during the continuance of this lease and while it is not in default hereunder, subject to the provisions in respect of accounting contained in Article Seven, use, consume, abandon, retire, sell or otherwise dispose of any line or lines of railway and any worn-out or disused material, equipment, or other tangible personal property not required for the proper operation and maintenance of the leased properties or of the properties of companies controlled by the Lessor and at the time operated by the Lessee as part of the Lessor's transportation system, and any lands, buildings or structures no longer required for such operation and maintenance, so far as such powers may be exercised in conformity with law and the provisions of any mortgages or other liens affecting any such property, and that it will from time to time during the continuance of this lease, upon the written request and at the expense of the Lessee, if any such property is subject to lien, cause such resolutions to be adopted and make such requests and do such other things as may be reasonably requested by the Lessee for the purpose of causing any such property to be released from the lien or liens to which the same is subject; *provided, however,* that the proceeds of any real property so sold or disposed of, except as otherwise provided in any such mortgage, shall be expended by the Lessee for improvements, betterments or additions of or to the railroads or other physical properties hereby leased, or some portion thereof, or of or to the physical properties of any such controlled company of the Lessor as the case may be; and *provided further,* that the general integrity and continuity of the transportation system of the Lessor shall in no event be impaired by the exercise of any of such rights, powers and privileges by the Lessee unless the exercise thereof by the Lessee in the particular case shall have been approved by the board of directors of the Lessor; and *provided further* that, without the consent of the board of directors of the Lessor, the Lessee shall not abandon, retire, sell or otherwise dispose of any line or lines of railroad without replacement.

SECTION 10. To permit, at any and all reasonable times, such person or persons as the Lessee may designate to inspect the books and records of the Lessor for any purpose whatsoever.

SECTION 11. That if the Lessee shall at any time request the Lessor, in writing, to do any act required to be done by the Lessor under this lease and the Lessor shall

fail or neglect to initiate the necessary steps to carry out such request within a period of ninety (90) days after such request shall have been received by it or shall thereafter fail or neglect to prosecute the same with reasonable diligence, the act so required to be done by the Lessor may be done by the Lessee, or its officers or agents, either in its name or in the name and as the act of the Lessor, and the Lessee may, for its own use and benefit, use the name, franchises and corporate powers of the Lessor for such purpose, provided that nothing herein contained shall affect or limit the exercise by the board of directors of the Lessor of any discretionary right or power by this lease reserved to or vested in said board of directors.

SECTION 12. The Lessee may use the name, franchises and corporate powers of the Lessor in commencing, prosecuting or defending any and all actions, suits and other legal proceedings as may, in the opinion of the Lessee, be necessary, proper or desirable to enable it to assert or maintain, or to defend or protect against invasion or injury, any right, franchise or privilege of the Lessor in reference to the leased properties or the properties of companies controlled by the Lessor and at the time operated by the Lessee as part of the Lessor's transportation system, or the use, maintenance, extension or operation thereof.

ARTICLE FOUR

COVENANTS RELATING TO CAPITAL ASSETS AND LIABILITIES

SECTION 1. The shares of stock, bonds and other securities mentioned and described in clauses Fifth and Sixth of the granting clauses of this lease, and any shares of stock, bonds and other securities which may at any time be acquired by the Lessor either in exchange or substitution for the shares of stock, bonds and other securities mentioned and described in said clauses Fifth and Sixth, or in addition thereto, or otherwise, shall not, except as in this Article provided, be delivered to the Lessee, but the Lessee shall, nevertheless, in respect of any and all such shares of stock, bonds and other securities, be entitled, from time to time during the continuance of this lease, and so long as the Lessee is not in default hereunder, and subject to the terms and provisions of any mortgages, deeds of trust or other instruments affecting or relating to any such shares of stock, bonds or other securities, to have and exercise the rights and powers in this Section set forth, that is to say:

(1) The Lessee shall be entitled to receive all of the current dividends, interest and income upon such shares of stock, bonds and other securities, and the Lessor shall, from time to time, execute and deliver any and all such orders for the payment of any such dividends, interest and income as may be necessary to enable the Lessee to receive the same.

(2) The Lessee shall be entitled to vote upon such shares of stock and other securities having voting rights for the election of directors and for all other purposes not inconsistent with the provisions of this paragraph (2), and the Lessor shall, from time to time, execute and deliver any and all such proxies and other instruments as may be necessary to enable the Lessee to vote as aforesaid. Except with the approval of the board of directors of the Lessor, the right of the Lessee to vote upon any such shares of stock or other securities having voting rights shall not be exercised to authorize any increase of capital stock or other change of capitalization, creation of funded debt, mortgage, lien or other charge (except purchase money mortgages and renewals or extensions of previously existing indebtedness, mortgages, liens or other charges), or any sale, lease, merger or consolidation; but, with the approval of the board of directors of the Lessor, the Lessee shall be entitled to vote upon any such shares of stock or other securities having voting rights for any of the purposes aforesaid.

(3) With the approval of the board of directors of the Lessor, but not otherwise, any such shares of stock, bonds and other securities may, from time to time, be sold, exchanged, mortgaged, pledged or otherwise disposed of by the Lessee.

(4) Any and all amounts which may at any time be or become payable or distributable upon any such shares of stock, bonds or other securities otherwise than as ordinary current dividends, interest and income, and which shall represent any payment or distribution of or on account of capital or principal (including any stock dividends which may at any time be declared and paid upon any such shares of stock) and any and all proceeds of the sale, exchange, mortgage, pledge or other disposition of any such shares of stock, bonds or other securities, shall, except as and to the extent that the board of directors of the Lessor may, from time to time, otherwise determine, be collected and received by the Lessor but subject to this lease and as a part of the leased properties, and any and all amounts of the character

in this paragraph (4) specified shall be applied in such manner and for such purposes as may from time to time be approved by the board of directors of the Lessor upon the written request of the Lessee.

SECTION 2. Any bonds and other securities of the Lessor held by it in its treasury upon the effective date of this lease shall form a part of the leased properties but shall not be delivered to the Lessee. The possession of such bonds or other securities shall be retained by the Lessor and such bonds or other securities or their proceeds shall be applied in such manner and for such purposes as may from time to time be approved by the board of directors of the Lessor upon the written request of the Lessee. With the approval of the board of directors of the Lessor, but not otherwise, any such bonds or other securities may, from time to time, be sold, exchanged, mortgaged, pledged or otherwise disposed of by the Lessee. All discounts, costs and expenses in connection with the issue or sale of any such bonds or other securities shall be borne by the Lessee without any charge to the Lessor for any part of any such discounts, costs or expenses.

SECTION 3. All additions, improvements, betterments and extensions of or to the leased properties or of or to properties of companies controlled by the Lessor and at the time operated by the Lessee as part of the Lessor's transportation system and all property represented by capital expenditures upon all such properties made by the Lessee during the continuance of this lease shall become and be the property of the Lessor and a part of the leased properties or the property of the company upon whose properties such additions, improvements, betterments, extensions or other capital expenditures shall have been made, subject to the terms and provisions of this lease and of any mortgages, deeds of trust or other instruments relating thereto. The Lessee shall be entitled to reimbursement as herein provided for the amount of the actual cost to it of any such additions, improvements, betterments, extensions or other capital expenditures made by the Lessee as aforesaid to the extent, but only to the extent, that the making of such additions, improvements, betterments, extensions or other capital expenditures and the amount thereof shall have been approved by the board of directors of the Lessor, either before or after such addition, improvement, betterment, extension or other capital expenditure shall have been made. Such reimbursement shall be by the issue by the Lessor to the Lessee of shares of stock and/or bonds and/or other securities as the Lessee shall elect

as provided in Section 4 of this Article, and/or at the option of the Lessee by the application in whole or in part of the amount of such expenditures as a credit or offset to any indebtedness of the Lessee to the Lessor upon the termination of this lease up to but not exceeding the amount of such indebtedness of the Lessee to the Lessor.

SECTION 4. The Lessee shall pay, satisfy and discharge, or cause to be paid, satisfied and discharged, or shall renew, extend or refund, or cause to be renewed, extended or refunded, as and when the same become due and payable, the principal of (1) any and all bonds and other capital obligations and evidences of indebtedness and liabilities heretofore issued, incurred or assumed by the Lessor and now outstanding, (2) the three million dollars ($3,000,000) principal amount of bonds of Pere Marquette Railroad Company issued and outstanding under the collateral trust indenture referred to in Section 6 of Article Two of this lease, and (3) any and all bonds and other capital obligations and evidences of indebtedness and liabilities which may from time to time hereafter be issued, incurred or assumed by the Lessor as provided in this Section. For the purpose of paying, redeeming or otherwise acquiring, or of renewing, extending or refunding, any or all such bonds or other capital obligations and evidences of indebtedness or liabilities, before, at or after the maturity thereof, or for the purpose of reimbursing the Lessee for the cost to it of any such payment, redemption, acquisition, renewal, extension or refunding, or for the purpose of reimbursing the Lessee for the cost of any capital expenditures made by the Lessee for which it may be entitled to reimbursement as provided in Section 3 of this Article, the Lessor, from time to time during the continuance of this lease, will, to the extent of its corporate powers and subject to any neecssary governmental approval, upon the written request of the Lessee, make, execute, issue and deliver to the Lessee such shares of stock of such class or classes and/or such bonds or other securities in such amounts, bearing such rates of dividend or interest, payable at such times and secured in such manner in respect of the leased properties, as the Lessee may determine and as may be approved by the board of directors of the Lessor upon the written request of the Lessee, and such mortgages, deeds of trust and other instruments as the Lessee may determine and as may be approved by the board of directors of the Lessor upon the written request of the Lessee to be necessary or desirable to secure the payment of any such bonds or other securities, or the Lessor shall otherwise obligate itself in such manner as the Lessee may determine and as the board of directors of the Lessor may approve upon the written request of the Lessee. In case any renewal or extension of any bonds or other obligations or evidences of indebtedness can be procured by the Lessee, the Lessee may arrange with the holders thereof for such renewal or extension, and from time to time, upon the written request of the Lessee, the Lessor will, to the extent of its corporate powers and subject to any necessary governmental approval, execute any and all agreements and do any and all acts approved by the board of directors of the Lessor upon the written request of the Lessee which may be necessary or desirable to effect any such renewal or extension. All shares of stock, bonds and other obligations and evidences of indebtedness which may at any time be issued by the Lessor as provided in this Section, and the proceeds of all such shares of stock, bonds and other obligations and evidences of indebtedness, shall be devoted solely to the purposes in this Section stated. All shares of stock, bonds, obligations and other evidences of indebtedness which may be issued by the Lessor, as provided in this Section, shall be accepted by the Lessee at the par or face value thereof, or if the same shall have no par or face value, then at such value as may be agreed upon between the Lessor and the Lessee, and all discounts, costs and expenses in connection with the issue and sale of any such shares of stock, bonds or other obligations or evidences of indebtedness, shall be borne by the Lessee without any charge to the Lessor for any part of such discounts, costs or expenses.

SECTION 5. Any saving, benefit or advantage resulting from any refunding, retirement or rearrangement of the securities, obligations or undertakings of the Lessor, or otherwise, during the continuance of this lease, shall inure to the benefit of the Lessee, during such continuance of this lease, without obligation on the part of the Lessee to pay to the Lessor any additional sum, by way of rental or otherwise, on account thereof.

SECTION 6. Subject to and upon compliance with the terms and conditions of any mortgage or other similar contract which provides for or permits such substitution or joinder, the Lessor, at any time during the continuance of this lease, upon the written request of the Lessee, will, to the extent of the corporate powers of the Lessor, join in, assist and procure the substitution or joinder of the Lessee for or with the Lessor under and as a party to

said mortgage or contract, with all the rights, privileges and powers which can be accorded to and conferred upon the Lessee thereunder, *subject, however,* to all of the terms, conditions and limitations therein prescribed, and *subject further* to the provision that no bonds or other obligations or evidences of indebtedness shall be issued which would be a lien upon any of the leased properties without the approval of the board of directors of the Lessor.

SECTION 7. The Lessor will not, during the continuance of this lease, without the written request or consent of the Lessee, issue, except in exchange for or in lieu of or upon the transfer of outstanding certificates or securities, any share of capital stock or any bond or other evidence of interest in or indebtedness of the Lessor, or assume any obligation as lessor, lessee, guarantor, indorser, surety or otherwise in respect of the securities of any other person, natural or artificial, or incur any debt or liability whatever, or voluntarily subject or permit the subjection of the leased properties or any part thereof to any lien, charge, trust or demand of any character.

ARTICLE FIVE

CONSOLIDATION, ETC., OF LESSOR AND LESSEE

It is hereby mutually covenanted and agreed that, when and if authorized by the Interstate Commerce Commission or other proper governmental agency, or otherwise authorized or permitted by law, the leased properties and the properties of the Lessee shall be consolidated into one corporation for the ownership, management and operation thereof upon such terms and conditions and in such manner, either by consolidation, merger, conveyance, or other means of unification, as may be agreed upon between the Lessor and the Lessee, and that thereupon this lease shall be terminated; and in such event the parties hereto severally covenant and agree promptly to execute or to cause to be executed each and every instrument, and to do or to cause to be done each and every act and thing, necessary or advisable in order to effect such consolidation, merger, conveyance or other unification, when so authorized and agreed upon.

ARTICLE SIX

REMEDIES IN CASE OF DEFAULT

In case the Lessee shall, at any time during the continuance of this lease, fail or omit duly and punctually

(1) to make any payment in Section 3 of Article Two of this lease agreed to be made by it as and when such payment shall become due and payable and such default shall continue for a period of ten (10) days; or

(2) to make any other payment in this lease agreed to be made by it as and when such payment shall become due and payable, and such default shall continue for a period of sixty (60) days after service upon the Lessee of a written notice specifying such default and requiring the Lessee to remedy the same; or

(3) to observe, abide by, keep or perform any other of the covenants, agreements, conditions and/or obligations of this lease to be observed, abided by, kept or performed by it, and any such default shall continue for a period of sixty (60) days after service upon the Lessee of a written notice specifying such default and requiring the Lessee to remedy the same;

then and in any such case the Lessor may either

(*a*) proceed by proper action or actions in the proper court or courts, either at law or in equity, to recover the amount of the payment in respect of which default shall have been made, together with interest thereon, or to enforce the performance of any or all such covenants, agreements, conditions or obligations by the Lessee, or to recover damages for the breach thereof; or

(*b*) by notice in writing terminate this lease, and thereupon enter in and upon the leased properties and all and every part thereof and remove the Lessee and all other persons therefrom; and shall thenceforth hold, possess and enjoy the same free from any right of the Lessee or its successors or assigns to use the leased properties or any part thereof for any purpose whatsoever; and thereupon any and all right, title and interest of the Lessee in and to the leased properties and in and to the possession and use thereof shall absolutely cease and determine as though this lease had never been made; but the Lessor nevertheless shall have the right to recover from the Lessee any and all amounts which may then be due and payable by the Lessee under this lease, together with interest thereon, as well as any damages in addition

thereto which the Lessor may have sustained by reason of the breach of the provisions hereof, subject to the right of the Lessee to reimbursement, to the extent and in the manner provided in this lease, for any amounts chargeable by the Lessee to the Lessor in accordance with the terms and provisions hereof.

ARTICLE SEVEN

Accounting

Section 1. (A) A complete inventory of the materials and supplies and shop machinery and tools leased shall be taken jointly by the Lessor and the Lessee as of the effective date of this lease.

(B) Within sixty (60) days after the effective date of this lease, the Lessor shall prepare and deliver, or cause to be prepared and delivered, to the Lessee trial balance sheets in duplicate, duly authenticated by the chief accounting officer of the Lessor, drawn from the books of the Lessor as of the effective date of this lease, and all of the accounts embraced within said trial balance sheets, except capital stock accounts, shall be taken over into the books of the Lessee, but the Lessee for these and all other of its purposes may treat as its books and as its organization the books of account and the accounting records and memoranda and organization of the Lessor for such time as to the Lessee shall seem advisable.

(C) As soon as practicable after the effective date of this lease, the Lessor shall prepare and deliver to the Lessee written schedules in duplicate, duly authenticated by the chief accounting officer of the Lessor, which shall show as of the effective date of this lease, in detail, the leased properties, setting forth separately properties owned by the Lessor and properties not so owned, but held, operated, controlled or used by the Lessor under lease, by stock control or otherwise, together with the respective mortgages, pledges and other liens thereon; and the capitalization, liabilities, reserves and balances affecting the same, all according to the following classifications, setting forth separately securities, liabilities, reserves and balances issued or assumed by the Lessor and by corporations or individuals, the properties of which are held, operated, controlled or used by the Lessor under leases, by stock control or otherwise:

(1) Railroad and telegraph lines and branches, showing their general condition if finished, and to what extent completed if unfinished, with their respective locations, termini, mileages and other facts necessary completely to identify the properties. This schedule shall be accompanied by a suitable map or maps and profiles.

(2) Lands (including lands under water, water rights and rights of reclamation) classified by valuation sections, zones and parcels as provided by the Interstate Commerce Commission, in connection with the federal valuation of railroads. This schedule shall be accompanied by a suitable map or maps.

(3) Wharves, docks, piers, warehouses, station buildings and other structures and properties used in or held for the service of transportation by water, and/or in connection therewith. This schedule shall show the general physical condition of each unit of property.

(4) Rolling stock and other railroad equipment and the general condition and the value thereof, determined according to the rules of the American Railway Association so far as such rules are applicable.

(5) Floating equipment, showing each boat in detail, and the general condition and value of same.

(6) Improvements on leased railway property, including the Lessor's investment in additions and betterments made by it to railway property held under long-term lease, or through control of the corporation owning the property. This schedule shall be classified by primary accounts in accordance with the rules of the Interstate Commerce Commission.

(7) Sinking funds, including cash, securities and other assets held for the purpose of redeeming outstanding obligations.

(8) Deposits in lieu of mortgaged property sold.

(9) Physical properties, other than the transportation properties embraced in the schedules referred to in clauses (1) to (6) of this part (C) of of this Section.

(10) Stocks, bonds, notes and other securities issued or assumed by companies affiliated with the

Lessor and held or owned by or for the Lessor and all advances made by the Lessor to such companies.

(11) Stocks, bonds, notes and other securities issued or assumed by companies not affiliated with the Lessor, or by individuals, and held or owned by or for the Lessor, and all advances made by the Lessor to such companies and to individuals, and all other investments not provided for elsewhere in this Section.

(12) Current assets, deferred assets and unadjusted debits, classified according to the classification of general balance sheet accounts prescribed by the Interstate Commerce Commission.

(13) Stock, governmental grants and long term debt, classified according to the classification of general balance sheet accounts prescribed by the Interstate Commerce Commission.

(14) Current liabilities, deferred liabilities, unadjusted credits and corporate surplus, classified according to the classification of general balance sheet accounts prescribed by the Interstate Commerce Commission.

The book values and amounts for all items, for which such values and amounts are recorded, shall be stated in the schedules thereof, and, unless otherwise stated in such schedules, such values and amounts shall, for the purpose of final accounting, be *prima facie* deemed to be the correct values or amounts for said items. Where said schedules show any values other than book values, the values so shown shall be *prima facie* deemed to be the correct values unless specific written objection thereto is made by the Lessee within six months after delivery of said schedules, *provided, however,* that the value of rolling stock and other railroad equipment shall for such purposes be determined, as of the effective date of this lease, according to the rules of the American Railway Association so far as such rules are applicable.

SECTION 2. During the continuance of this lease, (*a*) all revenues, income, expenses, taxes and other charges against income shall be treated as the business of the Lessee, but for the purpose of final accounting under this lease the same shall be allocated with reference to the time when accrued or incurred, as between the period of the continuance of this lease and the period prior

thereto, and the Lessee shall make such entries and maintain and keep such records and accounts as may be necessary to effect such allocation; and (*b*) the accounting for retirements, replacements and depreciation, and for the cost of additions and betterments, shall be in accordance with the rules of the Interstate Commerce Commission or other governmental authority, at the time in force.

SECTION 3. Upon the termination of this lease, otherwise than as provided in Article Five hereof, there shall be, in connection with the return of the leased physical properties and other capital assets shown in the schedules referred to in clauses (1) to (11) inclusive of part (C) of Section 1 of this Article, an accounting and settlement between the parties, as follows:

The Lessee shall as soon as practicable after the termination of the lease prepare and deliver to the Lessor written schedules in duplicate, corresponding as of the date of the termination of this lease to the schedules referred to in clauses (1) to (11) inclusive of part (C) of Section 1 of this Article.

The Lessee shall be debited and the Lessor credited with:

(*a*) The value of any of the capital assets listed in the schedules furnished by the Lessor in accordance with Section 1 of this Article, or any parts thereof, which have been sold, abandoned, retired, worn out, depreciated or otherwise disposed of by the Lessee, or which for any other reason are not returned to the Lessor by the Lessee.

(*b*) The cost of any additions, betterments, extensions, enlargements or increases of capital assets of any kind, or any parts thereof, which may have been charged to the Lessor under this lease and which have been sold, abandoned, retired, worn out, depreciated, or otherwise disposed of by the Lessee, or which for any other reason are not turned over to the Lessor by the Lessee.

(*c*) All amounts received or realized by the Lessee out of the materials and supplies and other current and deferred and other assets listed in the schedules furnished by the Lessor in accordance with clause (12) of part (C) of Section 1 of this Article or arising or accruing from the operation, business or investment of the leased properties prior to the

effective date of this lease, which are not included in said schedules.

(*d*) All amounts of taxes, operating expenses, hire of equipment, rents, traffic balances and other liens and charges upon the leased properties arising or accruing from their operation, business or investment during the continuance of this lease, which the Lessee shall have failed to pay or satisfy.

(*e*) All increases in the par or principal amounts of outstanding capital liabilities or stock of the Lessor or against the leased properties listed in the schedules furnished by the Lessor in accordance with Section 1 of this Article, made by or at the request of the Lessee for which the Lessor is not otherwise reimbursed or indemnified.

(*f*) All items and amounts not embraced in the foregoing clauses (*a*) to (*e*) inclusive, which the Lessee is required by the provisions of this lease to pay, perform or discharge without debit against or reimbursement by the Lessor, and which the Lessee has failed or may fail so to pay, perform or discharge.

The Lessor shall be debited and the Lessee credited with:

(*g*) The cost of any additions and betterments, extensions, enlargements or increases in capital assets listed in the schedules furnished by the Lessor in accordance with Section 1 of this Article made by the Lessee with the authorization or ratification of the board of directors of the Lessor (without deduction for any sales, abandonments, retirements or other amounts for which the Lessor may be credited as in clauses (*a*) and (*b*) hereinabove provided).

(*h*) All amounts paid by the Lessee for current and other liabilities listed in the schedules furnished by the Lessor in accordance with Section 1 of this Article, or arising or accruing from or in respect of the operation, business or investment of the leased properties prior to the effective date of this lease which are not included in said schedules.

(*i*) All decreases in the par or principal amounts of outstanding liabilities of the Lessor, or against the leased properties listed in the schedules furnished by the Lessor in accordance with Section 1 of this Article.

(*j*) All amounts received or realized by the Lessor from any materials and supplies or other current assets which may be turned over by the Lessee to or collected by the Lessor of the nature of those listed in accordance with clause (12) of part (C) of Section 1 of this Article, or arising or accruing from or in connection with the operation, business or investment of the leased properties during the continuance of this lease.

(*k*) The balance of any working or other funds established by the Lessee with the Lessor, or for the Lessor's benefit, which the Lessor has failed or may fail to return.

(*l*) All items and amounts not embraced in the foregoing clauses (*g*) to (*k*) inclusive, which the Lessor is required by the provisions of this lease to pay, perform or reimburse to the Lessee, or to pay, perform and discharge without debit against the Lessee, and which the Lessor has failed or may fail so to pay, perform, reimburse or discharge.

Revenues, income, expenses, taxes and other charges against income shall be allocated in such accounting with reference to the time when accrued or incurred as between the period of the continuance of this lease and the periods prior and subsequent thereto. For the purpose of such accounting the same methods of accrual and valuation shall prevail at the termination of this lease as those which prevailed at the effective date of this lease. For the purpose of such final accounting, charges and credits in respect of additions and betterments, retirements, replacements and depreciation shall be made to capital accounts in accordance with the accounting rules of the Interstate Commerce Commission, or its successor in authority, in force at the time or times when the transactions were effected, except that the accounting for equipment shall be based upon the methods of valuation adopted as of the effective date of this lease.

The first balance upon the final accounting shall be struck within sixty (60) days after the termination of this lease and shall be paid by the party against which the net debit exists, with interest at the rate of six per centum (6%) per annum from the date when the balance is struck, to the other party, within thirty (30) days thereafter. Such payment shall be made in cash or, at the option of the debtor party, in bonds of the debtor party

at par, bearing interest at the rate of six per centum (6%) per annum, and secured by the best lien, charge, pledge or guaranty which the debtor party is then able to give as security for the payment of such bonds, *provided, however,* that, if such balance shall be against the Lessee, the Lessee, up to the amount of such balance, shall, if required by the Lessor, pay to the Lessor in cash an amount equal to the net balance against the Lessee arising from the debits and credits in respect of current assets and liabilities referred to in clauses (*c*), (*h*) and (*j*) of this Section 3.

After the first balance has been struck, there shall be a similar accounting for each subsequent period of three months, with payment of balances in cash or in bonds as above provided, until the account has been finally closed.

SECTION 4. Neither party shall make any charge against the other for services in preparing, paying, collecting or settling the accounts above referred to, but all of the work in connection with such matters, during the continuance of this lease, shall be done by or at the expense of the Lessee without charge to the Lessor, and, subsequent to the termination of this lease, shall be done by or at the expense of the Lessor without charge to the Lessee.

The accounting hereinabove provided for shall not prevent or exclude any claim by either party against the other for damages for breach of any covenant of this lease.

ARTICLE EIGHT

ARBITRATION

In case of any disagreement between the parties hereto as to the true construction or meaning of any of the provisions of this lease, or as to the rights of either party hereunder, or as to the terms and provisions of any stocks, bonds, obligations or other evidences of indebtedness which may be issuable to the Lessee, as provided in Article Four of this lease, or of any mortgages, deeds of trust or other instruments to secure the payment of any such bonds, obligations or other securities, or any claim of either party arising hereunder, which the parties fail to adjust between themselves, such matter or matters of disagreement shall be submitted for arbitration to a

tribunal consisting of three disinterested persons, constituted as hereinafter provided.

In case of any such disagreement, the Lessor shall appoint one arbitrator and the Lessee shall appoint one arbitrator, and the two thus appointed shall appoint a third. In case either party shall refuse or fail to appoint an arbitrator within thirty (30) days after receiving written notice from the other party of the matter which it desires to submit to arbitration, and of its appointment of an arbitrator, such party so asking for an arbitration may also appoint the second arbitrator, and the two persons so appointed shall appoint the third arbitrator. In the event of the failure of the two arbitrators first appointed to appoint the third within ten (10) days after the appointment of the second arbitrator and his acceptance of such appointment, either party hereto may apply to a Judge of the United States District Court for the Eastern District of Michigan, upon fifteen (15) days' written notice to the other party, for such appointment of the third arbitrator.

The tribunal so constituted shall give ten (10) days' written notice of the time and place of hearing to the parties, and shall proceed without delay to hear the proofs and allegations of such parties, or of such party as may appear before such tribunal, and shall determine the questions and matters submitted to it for arbitration, and make its decision and award in writing. In case either party refuses or fails, upon said written notice given by such arbitrators, to produce its proofs, or present its case before them, the arbitrators may determine such questions and matters so submitted to them upon proofs presented by the other party and such proofs as they may procure.

The decision and award of the majority of the arbitrators, when made in writing and signed by them, shall in every case be final and conclusive and obligatory upon the parties hereto; and each party hereto agrees to abide by and comply with every such decision and award.

The determination and award of such arbitrators, or a *bona fide* effort to obtain it, shall be a condition precedent to any right of action with respect to any matter hereby agreed to be submitted to arbitration, and no right of action, either at law or in equity, shall, with respect to any such matter, exist or be invoked by either party hereto until after the same shall have been submitted to arbitration as herein provided (and then

only to enforce the decision and award of such arbitration) or until after a *bona fide* attempt to obtain such arbitration shall have been made by the party so resorting to litigation and such attempt shall have failed otherwise than through the fault of such party.

ARTICLE NINE

Miscellaneous Provisions

Section 1. The covenants and agreements herein contained are made subject to existing and future law and to the exercise of power thereunder by public authority, whether by way of authorization, prohibition or otherwise.

Section 2. The Lessor and the Lessee may, by agreement authorized or approved by their respective boards of directors, at any time and from time to time during the continuance of this lease, make any such alteration or modification of the terms, conditions and provisions of this lease, or of any of them, not inconsistent with the general intent and purpose of this lease, as such boards may deem expedient, but no such alteration or modification shall reduce the amount of rental payable hereunder.

Section 3. Whenever, in this lease, provision is made for any consent or approval by the board of directors of the Lessor, it is understood and agreed that such consent or approval may be given or withheld by said board of directors in its discretion, except as provided in Article Eight of this lease, and that nothing contained in this lease, except Article Eight of this lease, is intended or shall be construed to limit or affect any discretion which said board of directors would otherwise possess, and neither said board of directors of the Lessor nor any member of said board shall be liable or responsible for any exercise of discretion or judgment; and no director, officer or stockholder, either of the Lessee or of the Lessor, shall be held to any individual or personal liability for any matter or thing under or in connection with this lease or any instrument made in pursuance hereof by either party hereto.

Section 4. Except as in this lease specifically provided in Sections 1 and 2 of Article Two of this lease, no rights of any character whatever shall for any purpose accrue to or be deemed to be conferred upon any person, firm or corporation under this lease other than

the Lessor and the Lessee and their respective successors and assigns; nor shall any provisions of this lease be deemed an assumption of obligation or liability within the meaning of Section 20 (*a*) of the Interstate Commerce Act.

Section 5. This lease is to take effect and be in force as of midnight, Standard Central Time, , 1925, which date is sometimes referred to in this lease as "the effective date of this lease." Thereafter the Lessee may operate the leased properties either in its own name or in the name of the Lessor, or may provide for such operation by another.

Section 6. Any notice to be given by one party to the other party under this lease shall be deemed sufficiently given if in writing and mailed in a postpaid, sealed wrapper to such address as shall have been last given in writing by the other party for such purpose.

Section 7. This lease is assignable, and it is mutually covenanted and agreed that all of the provisions herein contained shall be binding upon the respective successors and assigns of each of the parties hereto; *provided, however*, that no assignment of this lease shall be made by the Lessee without the consent of the board of directors of the Lessor unless the Lessee shall guarantee to the Lessor the performance by the assignee of all obligations imposed upon the assignee under this lease.

IN WITNESS WHEREOF, the parties hereto have caused this indenture to be executed by their respective presidents or vice-presidents and attested under their respective corporate seals by their respective secretaries or assistant secretaries.

PERE MARQUETTE RAILWAY COMPANY,
by

President.

Attest:

Secretary.

THE NEW YORK, CHICAGO AND ST. LOUIS RAILWAY COMPANY,
by

President.

Attest:

Secretary.

Signed, sealed and delivered in presence of:

As to Pere Marquette Railway Company:

As to The New York, Chicago and St. Louis Railway Company:

STATE OF
County of } ss.:

BE IT REMEMBERED, that on this day of , in the year 1925, before me, the undersigned subscriber, a Notary Public within and for said County of , in said State of , duly commissioned and qualified, personally came and appeared the above named ,to me personally known, and to me known to be the person who executed the foregoing instrument in behalf of Pere Marquette Railway Company, a corporation organized under the laws of the State of Michigan, and who is the of said corporation; who, being by me first duly sworn, did depose and say, that he resides in ; that he is the of Pere Marquette Railway Company, one of the corporations described in and which executed the above instrument; that he knows the corporate seal of said corporation; that the seal affixed to said and the foregoing instrument is the corporate seal of said corporation; that it was so affixed and that said instrument was signed and sealed in behalf of said corporation by the order and authority of the board of directors of said corporation, and that he signed his name thereto by like order; and said duly acknowledged that the name of said corporation was subscribed to the foregoing indenture by himself as the thereof, and that the seal affixed thereto is the seal of said corporation, and that said name was subscribed and said seal attached to the foregoing indenture by the direction and authority of said corporation, and duly acknowledged said and the foregoing instrument, and the execution thereof on behalf of said corporation, as and to be, and that the same is, the free and voluntary act and deed of said corporation, for the uses and purposes therein expressed, mentioned and set forth.

My commission will expire on

IN WITNESS WHEREOF, I have hereunto set my hand and my official seal as such Notary Public at my office in County aforesaid, the day and year first above written.

Notary Public,

STATE OF }
County of } ss.:

BE IT REMEMBERED, that on this day of , in the year 1925, before me, the undersigned subscriber, a Notary Public within and for said County of , in said State of , duly commissioned and qualified, personally came and appeared the above named , to me personally known and to me known to be the person who executed the foregoing instrument in behalf of The New York, Chicago and St. Louis Railway Company, a corporation organized under the laws of the State of Ohio, and who is a of said corporation, who, being by me first duly sworn, did depose and say that he resides in ; that he is of The New York, Chicago and St. Louis Railway Company, one of the corporations described in and which executed the above instrument; that he knows the corporate seal of said corporation; that the seal affixed to said and the foregoing instrument is the corporate seal of said corporation; that it was so affixed and that said instrument was signed and sealed in behalf of said corporation by the order and authority of the board of directors of said corporation, and that he signed his name thereto by like order; and said duly acknowledged that the name of said corporation was subscribed to the foregoing indenture by himself as a thereof, and that the seal affixed thereto is the seal of said corporation, and that said name was subscribed and said seal was attached to the foregoing indenture by the direction and authority of said corporation and duly acknowledged said and the foregoing instrument, and the execution thereof on behalf of said corporation, as and to be, and that the same is, the free and voluntary act and deed of said corporation, for the uses and purposes therein expressed, mentioned and set forth.

My commission will expire on

IN WITNESS WHEREOF, I have hereunto set my hand and my official seal as such Notary Public at my office in Wayne County aforesaid, the day and year first above written.

Notary Public,

Exhibit No. 24.

THE NEW YORK, CHICAGO AND ST. LOUIS RAILROAD COMPANY

Opinion of Counsel

CLEVELAND, OHIO, February 20, 1925.

THE INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

Gentlemen:

We are of opinion that the acquisition of control of the system of The New York, Chicago and St. Louis Railroad Company by The New York, Chicago and St. Louis Railway Company, as proposed in the foregoing application, is within the corporate powers of the former company.

Respectfully submitted,

E. E. GANN, Eastern Counsel

C. C. COLLISTER, General Attorney

THE NEW YORK, CHICAGO AND ST. LOUIS RAILROAD COMPANY.

Exhibit No. 25.

THE CHESAPEAKE AND OHIO RAILWAY COMPANY

Opinion of Counsel

RICHMOND, VA., February 20, 1925.

THE INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

Gentlemen:

We are of opinion that the acquisition of control of the system of The Chesapeake and Ohio Railway Company by The New York, Chicago and St. Louis Railway Company, as proposed in the foregoing application, is within the corporate powers of The Chesapeake and Ohio Railway Company and all its system companies.

Respectfully submitted,

HERBERT FITZPATRICK,
General Counsel.

GEO. H. GARDNER,
Assistant General Attorney.

THE CHESAPEAKE AND OHIO RAILWAY COMPANY

Exhibit No. 26.

THE HOCKING VALLEY RAILWAY COMPANY

Opinion of Counsel

RICHMOND, VA., February 20, 1925.

THE INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

Gentlemen:

We are of opinion that the acquisition of control of the system of The Hocking Valley Railway Company by The New York, Chicago and St. Louis Railway Company, as proposed in the foregoing application, is within the corporate powers of The Hocking Valley Railway Company and all its system companies.

Respectfully submitted,

HERBERT FITZPATRICK,
General Counsel.

GEO. H. GARDNER,
Assistant General Attorney.

THE HOCKING VALLEY RAILWAY COMPANY.

Exhibit No. 27.

ERIE RAILROAD COMPANY

Opinion of Counsel

NEW YORK, N. Y., February 20, 1925.

THE INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

Gentlemen:

We are of opinion that the acquisition of control of the system of Erie Railroad Company by The New York, Chicago and St. Louis Railway Company, as proposed in the foregoing application, is within the corporate powers of the former company and all its system companies.

Respectfully submitted,

GEORGE F. BROWNELL,
General Counsel,

H. A. TAYLOR,
General Solicitor,

ERIE RAILROAD COMPANY.

Exhibit No. 28.

PERE MARQUETTE RAILWAY COMPANY

Opinion of Counsel

NEW YORK, N. Y., February 20, 1925.

THE INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

Gentlemen:

I am of opinion that the acquisition of control of the system of Pere Marquette Railway Company by The New York, Chicago and St. Louis Railway Company, as proposed in the foregoing application, is within the corporate powers of the former company and all its system companies.

Respectfully submitted,

HENRY V. POOR,
Chief Counsel,
PERE MARQUETTE RAILWAY COMPANY.

Exhibit No. 29.

THE NEW YORK, CHICAGO AND ST. LOUIS RAILWAY COMPANY

Opinion of Counsel

CLEVELAND, OHIO, February 20, 1925.

THE INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

Gentlemen:

We are of opinion that the acquisition of control of the systems of The New York, Chicago and St. Louis Railroad Company, The Chesapeake and Ohio Railway Company, The Hocking Valley Railway Company, Erie Railroad Company and Pere Marquette Railway Company, by The New York, Chicago and St. Louis Railway Company, as proposed in the foregoing application, is within the corporate powers of the last-named company.

We are also of opinion that the issue by The New York, Chicago and St. Louis Railway Company of all of its authorized capital stock, common and preferred, as proposed in said application, (*a*) is for lawful objects within its corporate purposes, and compatible with the public interest, which are necessary and appropriate for and consistent with the proper performance by it of service to the public as a common carrier, and which will not impair its ability to perform that service, and (*b*) is reasonably necessary and appropriate for such purposes, and will be legally authorized and valid if approved by the Interstate Commerce Commission.

Respectfully submitted,

W. A. COLSTON,
JOHN H. AGATE,
WHITE & CASE,
Counsel,

THE NEW YORK, CHICAGO AND ST. LOUIS RAILWAY COMPANY

Exhibit No. 30.

THE NEW YORK, CHICAGO AND ST. LOUIS RAILROAD COMPANY

CORPORATE INCOME ACCOUNT

	1923	11 mos. ended Nov. 30, 1924
Railway operating revenues	$57,477,378.99	$49,561,408.91
Railway operating expenses	42,380,113.98	35,565,674.91
Equipment retirements and depreciation	1,558,047.65	1,646,702.03
Total expenses	43,938,161.63	37,212,376.94
Net revenue from railway operations	13,539,217.36	12,349,031.97
Railway tax accruals	2,852,483.16	2,459,541.74
Uncollectible railway revenues	7,690.40	18,245.32
	2,860,173.56	2,477,787.06
Railway operating income	10,679,043.80	9,871,244.91
Equipment rents net	1,305,170.36	1,097,801.08
Joint facility rents net	175,019.38	146,153.19
	1,480,189.74	1,243,954.27
Net railway operating income	9,198,854.06	8,627,290.64
Nonoperating income	1,243,510.20	1,329,112.05
Gross income	10,442,364.26	9,956,402.69
Deductions from gross income	4,111,022.65	4,710,102.33
Net income	$6,331,341.61	$5,246,300.36
DISPOSITION OF NET INCOME		
Income applied to sinking and other reserve funds	98,482.05	.....
Dividend appropriations of income	3,556,648.00	2,520,363.00
Total appropriations of income	3,655,130.05	2,520,363.00
Income balance transferred to profit and loss	$2,676,211.56	$2,725,937.36

Certified Correct:

LEWIS A. BELL
Comptroller

Exhibit No. 31.

THE NEW YORK, CHICAGO AND ST. LOUIS RAILROAD COMPANY

PROFIT AND LOSS ACCOUNT

ELEVEN MONTHS ENDED NOVEMBER 30, 1924

CREDITS	
Balance beginning of period	$35,883,692.09
Credit balance transferred from income	2,725,937.36
Profit on road and equipment sold	8,209.17
Donations	8,483.86
Miscellaneous credits	7,830,863.81
Total credits	46,457,186.29
DEBITS	
Unrefundable overcharges	3,395.22
Surplus appropriated for investment in physical property	8,483.86
Debt discount extinguished through surplus	68,775.16
Loss on retired road and equipment	51,108.24
Miscellaneous debits	233,602.70
Total debits	365,365.18
Balance end of period, as per balance sheet	$46,091,821.11

Certified Correct:

LEWIS A. BELL
Comptroller

Exhibit No. 32.

THE NEW YORK, CHICAGO AND ST. LOUIS RAILROAD COMPANY

GENERAL BALANCE SHEET AS OF NOVEMBER 30, 1924

ASSETS

INVESTMENTS:		
Investment in road and equipment:		
Road	$146,378,672.49	
Equipment	44,681,335.55	
General Expenditures	529,010.58	
Total road and equipment		$191,589,018.62
Improvements on leased railway property		56,906.76
Sinking funds		440,145.56
Deposits in lieu of mortgaged property sold		6,000.00
Miscellaneous physical property		750,690.54
Investment in affiliated companies:		
Stocks		18,742,051.85
Bonds		460,601.00
Advances		93,800.00
Other investments:		
Stocks		1,000.00
Bonds		163,406.32
Notes		21,800.00
Miscellaneous		2,140.00
Total		$212,327,560.65
CURRENT ASSETS:		
Cash:		
In treasury	6,666,540.36	
In transit from agents and conductors	626,410.17	
Total cash		7,292,950.53
Special deposits		110,568.00
Loans and bills receivable		125,001.80
Traffic and car service balances receivable		.....
Net balances receivable from agents and conductors		527,626.12
Miscellaneous accounts receivable		1,081,598.55
Material and supplies		4,745,271.53
Interest and dividends receivable		361,460.42
Rents receivable		12,943.27
Other current assets		280,756.32
Total		14,538,176.54
DEFERRED ASSETS:		
Working fund advances		17,350.64
Insurance and other funds		10,287.50
Other deferred assets		6,198.00
Total		33,836.14
UNADJUSTED DEBITS:		
Rents and insurance premiums paid in advance		69,583.34
Discount on funded debt		2,801,574.05
Other unadjusted debits		2,621,899.32
Securities issued or assumed—Unpledged:		
Capital stock of this Company in treasury		22,623,305.00
Second and Improvement Mortgage Bonds in treasury		690,000.00
Securities issued or assumed—Pledged:		
Second and Improvement Mortgage Bonds		1,389,000.00
Prior Lien Bonds		425,000.00
Receiver's Certificates of Indebtedness		554,000.00
Total		31,174,361.71
Total Assets		$258,073,935.04

Exhibit No. 32.

THE NEW YORK, CHICAGO AND ST. LOUIS RAILROAD COMPANY

GENERAL BALANCE SHEET AS OF NOVEMBER 30, 1924

LIABILITIES

STOCK:		
Capital stock:		
Common	$46,099,600.00	
Cumulative Preferred, Series A	32,617,900.00	
Ownership certificates—Fractions of shares:		
Common	3,400.00	
Cumulative Preferred, Series A	6,500.00	
Stock liability for conversion:		
Common	144,900.00	
Cumulative Preferred, Series A	95,600.00	
Total		$78,967,900.00
LONG TERM DEBT:		
Funded debt unmatured:		
Equipment obligations:		
Equipment trust certificates of 1916	220,000.00	
Engine trust certificates of 1916	60,000.00	
Equipment trust certificates of 1917	3,365,000.00	
Equipment trust certificates of 1922	291,000.00	
Second equipment trust certificates of 1922	2,925,000.00	
Freight car equipment notes of 1920	866,800.00	
Equipment trust notes of 1920	475,200.00	
Equipment trust certificates of 1923	3,990,000.00	
Equipment trust certificates of 1924	2,865,000.00	
Mortgage bonds:		
First mortgage bonds, due 1937 and 1950	31,405,000.00	
Gold bonds of 1906, due 1931	10,000,000.00	
Second and improvement mortgage bonds, due 1931	14,309,000.00	
Prior lien bonds, due 1925	10,000,000.00	
Second mortgage bonds, due 1941	3,625,000.00	
Collateral trust notes ($1,000,000, due in 1930 and balance serially to 1935)	1,554,000.00	
Refunding mortgage bonds, due April 1, 1974	26,058,000.00	
Miscellaneous obligations:		
Serial notes to New York Central Railroad	1,040,000.00	
Receiver's certificates of indebtedness, Series A, 1921	554,000.00	
Total		113,603,000.00
CURRENT LIABILITIES:		
Loans and bills payable	5,000.00	
Traffic and car service balances payable	105,162.93	
Audit accounts and wages payable	2,900,015.84	
Miscellaneous accounts payable	952,705.16	
Interest matured unpaid	107,932.50	
Dividends matured unpaid	2,635.50	
Unmatured interest accrued	1,085,635.48	
Other current liabilities	326,800.89	
Unmatured Dividends declared	841,411.50	
Total		6,327,299.80
DEFERRED LIABILITIES:		
Other deferred liabilities		813,045.28
UNADJUSTED CREDITS:		
Tax liability	2,544,154.46	
Operating reserves	269,169.04	
Accrued depreciation—equipment	8,906,340.48	
Other unadjusted credits	449,974.36	
Total		12,169,638.34
CORPORATE SURPLUS:		
Additions to property through income and suplus.	7,430.51	
Funded debt retired through income and surplus.	.....	
Miscellaneous fund reserves	93,800.00	
Total appropriated surplus	101,230.51	
Profit and Loss balance	46,091,821.11	
Total corporate surplus		46,193,051.62
Total liabilities		$258,073,935.04

STATE OF NEW YORK } ss.
County of New York }

LEWIS A. BELL, being duly sworn, says that he is the Comptroller of The New York, Chicago and St. Louis Railroad Company, and that the foregoing General Balance Sheet is true and correct to the best of his knowledge and belief.

LEWIS A. BELL

Sworn to before me this 20th day of February, 1925.

[SEAL]

JAMES McCARRON
Notary Public, Kings Co. No. 62
Certificate filed New York Co., No. 144
Register's Nos. Kings, 6057, N. Y. 6126
Commission expires March 30, 1926

Exhibit No. 33.

THE CHESAPEAKE AND OHIO RAILWAY COMPANY

FOR

THE CHESAPEAKE AND OHIO LINES

CORPORATE INCOME ACCOUNT

YEARS ENDED DECEMBER 31, 1919, 1920, 1921, 1922 AND 1923 AND ELEVEN MONTHS ENDED NOVEMBER 30, 1924

	1919
I—*Operating Income:*	
Railway Operating Revenues	$ .....
Railway Operating Expenses	202,048.38
Net Revenue from Railway Operations	Dr. 202,048.38
Railway Tax Accruals	319,998.50
Uncollectible Railway Revenues	.....
Railway Operating Income	Dr. 522,046.88
II—*Non-Operating Income:*	
Hire of Freight Cars—Credit Balance	.....
Rent from Locomotives	.....
Rent from Passenger-Train Cars	.....
Rent from Floating Equipment	.....
Rent from Work Equipment	.....
Joint Facility Rent Income	.....
Income from Lease of Road	14,588,578.73
Miscellaneous Rent Income	106,638.27
Miscl. Non-Operating Physical Property	17,384.45
Dividend Income	420,057.28
Income from Funded Securities	263,202.95
Income from Unfunded Securities and Accounts	384,082.87
Income from Sinking and Other Reserve Funds	224.88
Miscellaneous Income	319,345.85
Total Non-Operating Income	16,099,515.28
GROSS INCOME	15,577,468.40
III—*Deductions from Gross Income:*	
Hire Freight Cars—Debit Balance	.....
Rent for Locomotives	.....
Rent for Passenger-Train Cars	.....
Rent for Floating Equipment	.....
Rent for Work Equipment	.....
Joint Facility Rents	.....
Rent for Leased Roads	53,374.29
Miscellaneous Rents	44,797.79
Interest on Funded Debt	8,511,444.21
Interest on Unfunded Debt	262,399.19
Miscellaneous Income Charges	923,777.66
Total Deductions from Gross Income	9,795,793.14
NET INCOME	5,781,675.26
IV—*Disposition of Net Income:*	
Income applied to Sinking and Other Reserve Funds	7,506.55
Total Appropriations of Income	7,506.55
Income Balance Transferred to Profit & Loss	5,774,168.71

Exhibit No. 33.

THE CHESAPEAKE AND OHIO RAILWAY COMPANY

FOR

THE CHESAPEAKE AND OHIO LINES

CORPORATE INCOME ACCOUNT

YEARS ENDED DECEMBER 31, 1919, 1920, 1921, 1922 AND 1923 AND ELEVEN MONTHS ENDED NOVEMBER 30, 1924

1920	1921	1922	1923	11 mos. Ended Nov. 30-1924
$77,533,853.56	$83,687,957.92	$83,511,561.02	$101,975,797.68	$98,948,808.44
67,072,855.56	66,603,076.81	66,118,029.84	78,889,776.46	75,702,753.41
10,460,998.00	17,084,881.11	17,393,531.18	23,086,021.22	23,246,055.03
2,618,100.00	2,682,160.11	3,301,200.78	4,687,394.06	4,184,625.00
1,435.82	20,709.16	11,203.42	29,275.92	31,351.04
7,841,462.18	14,382,011.84	14,081,126.98	18,369,351.24	19,030,078.99
2,257,447.19	212,124.19	1,357,659.74	2,181,423.87	2,499,981.65
26,560.59	51,493.25	58,545.15	63,400.47	105,701.09
2,112.26	3,288.06	3,358.88	2,653.80	11,903.23
.....	358.32	2,420.00	300.00	.....
7,156.43	11,038.57	5,728.96	7,626.62	6,337.76
40,072.08	52,354.59	58,247.14	53,247.31	46,856.31
2,321,498.61	.....	100.00	641,774.55	.....
85,240.26	81,525.68	113,457.95	116,712.90	82,502.07
22,466.24	15,693.62	37,057.70	55,451.54	53,483.20
728,379.53	236,354.00	413,304.00	419,294.00	369,414.67
262,565.00	261,354.43	302,160.56	558,337.33	451,813.46
768,304.94	187,284.67	499,850.78	367,954.74	699,482.10
239.19	554.09	974.56	3,044.32	2,975.27
2,842,198.65	337,983.99	1,111,597.44	53,478.84	10,029.65
9,364,240.97	1,451,407.46	3,964,462.86	4,524,700.29	4,340,480.46
17,205,703.15	15,833,419.30	18,045,589.84	22,894,051.53	23,370,559.45
.....	.....	.....	.....	.....
13,640.98	23,355.78	25,558.48	25,186.33	26,415.61
24,016.64	34,188.59	42,150.79	39,740.06	25,259.35
5,231.34	2,464.38	3,347.51	11,305.04	19,888.15
24,747.74	12,240.16	25,239.93	23,274.63	34,211.01
869,483.38	979,493.71	1,060,460.29	1,443,141.64	1,256,312.20
53,675.50	54,298.33	100,062.42	90,085.78	130,923.57
44,796.10	47,661.39	63,006.45	49,909.14	51,258.34
9,102,589.73	9,625,714.11	9,992,893.96	10,210,219.02	10,082,472.04
850,816.96	65,687.40	3,048.05	1,780,988.71	206,941.43
191,012.38	678,383.21	88,212.33	121,151.48	91,889.94
11,180,010.75	11,523,487.06	11,403,980.21	13,795,001.83	11,925,571.64
6,025,692.40	4,309,932.24	6,641,609.63	9,099,049.70	11,444,987.81
39,234.19	117,330.76	117,939.59	119,619.18	120,485.75
39,234.19	117,330.76	117,939.59	119,619.18	120,485.75
5,986,458.21	4,192,601.48	6 523,670.04	8,979,430.52	11,324,502.06

Certified Correct:

E. M. THOMAS

Comptroller.

Exhibit No. 34.

THE CHESAPEAKE AND OHIO RAILWAY COMPANY

FOR

THE CHESAPEAKE AND OHIO LINES

PROFIT AND LOSS ACCOUNT

ELEVEN MONTHS ENDED NOVEMBER 30, 1924

	Debit	Credit
Credit balance at beginning of year	.....	$29,003,807.39
Credit balance transferred from Income	.....	11,324,502.06
Profit on Road and Equipment Sold	.....	433.07
Donations	.....	76,537.76
Miscellaneous Credits	.....	1,906.71
Surplus applied to Sinking and Other Reserve Funds	12,000.00	.....
Dividend Appropriations of Surplus	3,432,890.50	.....
Surplus appropriated for investment in physical property	76,537.76	.....
Loss on retired Road and Equipment	178,432.42	.....
Miscellaneous Debits	66,581.53	.....
Credit balance carried to Balance Sheet	36,640,744.78	.....
	$40,407,186.99	$40,407,186.99

Certified Correct:

E. M. THOMAS

Comptroller.

Exhibit No. 35.

THE CHESAPEAKE AND OHIO RAILWAY COMPANY

FOR

THE CHESAPEAKE AND OHIO LINES

GENERAL BALANCE SHEET AS OF NOVEMBER 30, 1924

ASSETS

INVESTMENT:	
Investment in Road and Equipment	$327,688,269.40
Improvements on Leased Railway Property	37,231.17
Sinking Funds	327,983.91
Deposit in lieu of Mortgaged Property Sold	889,359.75
Miscellaneous Physical Property	497,711.44
Investment in Affiliated Companies—	
(a) Stocks	20,598,900.42
(b) Bonds	4,319,688.25
(c) Notes	1,700,002.00
(d) Advances	758,404.49
Other Investments—	
(a) Stocks	2.00
(b) Bonds	843,751.00
(c) Notes	4,126,457.81
(d) Advances	63,864.43
(e) Miscellaneous	1,700.00
Total Investments	361,853,326.07
CURRENT ASSETS:	
Cash	6,386,971.42
Demand Loans and Deposits	.....
Time Drafts and Deposits	.....
Special Deposits	17,876,508.63
Loans and Bills Receivable	248,250.27
Traffic and Car Service Balances Receivable	3,949,859.12
Net Balances Receivable from Agents and Conductors	410,148.00
Miscellaneous Accounts Receivable	2,419,125.66
Materials and Supplies	6,983,373.09
Interest and Dividends Receivable	244,678.07
Rents Receivable	46,130.70
Other Current Assets	84,152.48
Total Current Assets	38,649,197.44
DEFERRED ASSETS:	
Working Fund Advances	11,104.05
Insurance and Other Funds	153,603.94
U. S. Government Deferred Assets	.....
Other Deferred Assets	72,273.82
Total Deferred Assets	236,981.81
UNADJUSTED DEBITS:	
Rents and Insurance Premiums Paid in Advance	55,390.16
Discount on Capital Stock	.....
Discount on Funded Debt	392,457.79
U. S. Government Unadjusted Debits	.....
Other Unadjusted Debits	24,880,123.00
Total Unadjusted Debits	25,327,970.95
GRAND TOTAL	$426,067,476.27

Exhibit No. 35.

THE CHESAPEAKE AND OHIO RAILWAY COMPANY

FOR

THE CHESAPEAKE AND OHIO LINES

GENERAL BALANCE SHEET AS OF NOVEMBER 30, 1924

LIABILITIES

STOCK:	
Capital Stock	$77,977,625.00
Stock Liability for Conversion	.....
Premiums on Capital Stock	.....
Total Stock	77,977,625.00
LONG TERM DEBT:	
Funded Debt Unmatured	236,300,323.97
Receivers' Certificates	.....
Non-Negotiable Debt to Affiliated Companies—	
(a) Notes	.....
(b) Open Accounts	.....
	236,300,323.97
CURRENT LIABILITIES:	
Loans and Bills Payable	2,856,448.51
Traffic and Car Service Balances Payable	550,008.65
Audited Accounts and Wages Payable	7,981,609.12
Miscellaneous Accounts Payable	618,492.07
Interest Matured Unpaid	618,364.90
Dividends Matured—Unpaid	1,012.00
Funded Debt Matured—Unpaid	16,174.17
Unmatured Dividends Declared	1,716,445.25
Unmatured Interest Accrued	2,831,900.68
Unmatured Rents Accrued	331,646.82
Other Current Liabilities	54,498.93
Total Current Liabilities	17,576,601.10
DEFERRED LIABILITIES:	
Liability for Provident Funds	.....
U. S. Government Deferred Liabilities	38,603.74
Other Deferred Liabilities	99,310.14
Total Deferred Liabilities	137,913.88
UNADJUSTED CREDITS:	
Tax Liability	3,667,399.14
Insurance and Casualty Reserve	153,603.94
Operating Reserves	3,174,128.70
Accrued Depreciation—Road	144,134.87
" " Equipment	17,624,245.16
Other Unadjusted Credits	6,912,132.95
Total Unadjusted Credits	31,675,644.76
CORPORATE SURPLUS:	
Additions to Property thru Income and Surplus	25,018,534.59
Funded Debt Retired thru Income and Surplus	378,826.28
Sinking Fund Reserves	361,261.91
Miscellaneous Fund Reserves	.....
Total Appropriated Surplus	25,758,622.78
Profit and Loss Balance	36,640,744.78
Total Corporate Surplus	62,399,367.56
GRAND TOTAL	$426,067,476.27

STATE OF NEW YORK }
County of New York } ss:

E. M. Thomas, being duly sworn, says that he is the Comptroller of The Chesapeake and Ohio Railway Company and that the foregoing General Balance Sheet is true and correct to the best of his knowledge and belief.

E. M. THOMAS

Sworn to before me this 20th day of February, 1925.

[SEAL]

JAMES McCARRON
Notary Public, Kings Co. No. 62
Certificate filed New York Co., No. 144
Register's Nos. Kings, 6057, N. Y. 6126
Commission expires March 30, 1926

Exhibit No. 36.

THE HOCKING VALLEY RAILWAY COMPANY

CORPORATE INCOME ACCOUNT

YEARS ENDED DECEMBER 31, 1919, 1920, 1921, 1922 AND 1923, AND ELEVEN MONTHS ENDED NOVEMBER 30, 1924

(Losses and Deficits shown in Italics)

	Year 1919	Year 1920
I. *Operating Income*		
OPERATING REVENUES:		
Freight	$	$12,784,091.85
Passenger	.....	1,175,118.27
Mail	.....	59,244.69
Express	.....	97,077.30
All other transportation	.....	833,996.81
Railway operating revenues	.....	14,949,528.92
OPERATING EXPENSES:		
Maintenance of way and structures	.....	1,826,197.38
Maintenance of equipment	.....	5,714,556.30
Traffic	.....	85,593.43
Transportation	.....	5,714,248.21
General	73,766.90	426,661.59
Transportation for investment—Cr.	.....	2,327.80
Railway operating expenses	73,766.90	13,764,929.11
Net revenue from railway operations	*73,766.90*	1,184,599.81
Railway tax accruals	108,000.00	798,879.04
Uncollectible railway revenues	.....	1,342.56
Railway operating income	*181,766.90*	384,378.21
II. *Non-operating Income*		
Hire of freight cars—Credit balance	.....	953,377.02
Rent from locomotives	.....	5,846.36
Rent from passenger-train cars	.....	265.26
Rent from work equipment	.....	1,829.96
Joint facility rent income	.....	127,059.09
Income from lease of road	2,637,167.48	461,302.11
Miscellaneous rent income	9,470.35	7,041.74
Income from funded securities	16,116.93	59,075.96
Income from unfunded securities and accounts	218,763.53	233,647.24
Income from sinking and other reserve funds	2,443.00	2,657.60
Miscellaneous income	*45,716.45*	*2,566.01*
Total non-operating income	2,838,244.84	1,849,536.33
Gross income	2,656,477.94	2,233,914.54
III *Deductions from Gross Income*		
Hire of freight cars—Debit balance	.....	.....
Rent for locomotives	.....	2,516.85
Rent for passenger-train cars	.....	708.37
Rent for work equipment	.....	447.70
Joint facility rents	.....	91,918.38
Rent for leased roads	38,108.65	38,107.24
Miscellaneous rents	318.00	318.00
Interest on funded debt	1,342,136.68	1,518,919.16
Interest on unfunded debt	118,353.89	214,726.86
Miscellaneous income charges	112,454.43	12,936.81
Total deductions from gross income	1,611,371.65	1,880,599.37
Net income	1,045,106.29	353,315.17
IV. *Disposition of Net Income*		
Income applied to sinking and other reserve funds	2,443.00	2,657.60
Miscellaneous appropriations of income	12,795.28	4,861.76
Total appropriations of income	15,238.28	7,519.36
Income balance transferred to Profit and Loss	$1,029,868.01	$345,795.81

Exhibit No. 36.

THE HOCKING VALLEY RAILWAY COMPANY

CORPORATE INCOME ACCOUNT

YEARS ENDED DECEMBER 31, 1919, 1920, 1921, 1922 AND 1923, AND ELEVEN MONTHS ENDED NOVEMBER 30, 1924

(Losses and Deficits shown in Italics)

Year 1921	Year 1922	Year 1923	11 months ended Nov. 30, 1924
$11,924,979.21	$11,637,209.32	$15,156,748.09	$13,974,020.15
1,270,021.29	1,076,465.77	1,113,924.05	821,956.97
87,587.51	79,761.77	81,789.71	80,294.22
82,574.56	129,018.25	176,312.28	125,261.20
727,838.81	934,008.84	1,034,628.27	1,229,584.80
14,093,001.38	13,855,463.95	17,563,402.40	16,231,117.34
4,366,046.98	1,381,537.95	1,734,736.30	1,745,754.94
131,598.71	4,157,350.58	6,476,071.61	5,016,877.68
4,972,440.14	139,802.27	159,443.17	153,300.07
417,470.07	4,706,929.70	5,219,253.54	4,910,345.92
1,772.85	372,361.48	442,915.33	400,875.12
	10,848.82	5,230.83	1,955.00
11,572,394.38	10,747,133.16	14,027,189.12	12,225,198.73
1,686,611.33			
2,520,607.00	3,108,330.79	3,536,213.28	4,005,918.61
811,787.98	978,008.94	1,074,399.07	1,113,477.33
274.38	1,709.35	984.07	749.63
1,708,544.64	2,128,612.50	2,460,830.14	2,891,691.65
.....	43,377.54	.....	320,432.54
4,679.09	1,715.98	4,468.94	1,158.69
594.88	342.70	976.30	1,382.16
1,890.44	1,734.28	1,592.30	1,745.85
167,112.09	184,968.45	205,763.99	200,333.27
.....	268.93	.....	.....
9,341.13	10,933.39	10,072.76	8,412.16
52,334.00	43,489.91	66,928.88	43,704.01
190,258.20	199,260.48	208,547.70	122,111.50
2,939.05	3,232.78	4,006.51	3,779.50
1,216.21	*3,924.09*	2.25	453,630.97*
430,365.09	485,400.35	502,359.63	1,156,690.65
2,138,909.73	2,614,012.85	2,963,189.77	4,048,382.30
206,646.09	.....	68,049.77	.....
14,796.26	14,226.60	21,432.17	19,993.60
1,079.37	978.24	12,566.64	3,596.90
136.76	424.89	688.00	860.16
99,421.40	100,054.76	116,827.45	134,330.79
38,199.70	38,272.67	38,895.16	35,740.92
289.25	325.20	319.80	284.00
1,527,936.20	1,561,724.03	1,575,787.72	1,305,373.46
195,386.43	175,294.12	163,688.45	303,879.84
10,871.37	10,505.09	13,233.21	12,085.47
2,094,762.83	1,901,805.60	2,011,488.37	1,816,145.14
44,146.90	712,207.25	951,701.40	2,232,237.16
2,939.05	3,232.78	4,006.51	3,779.50
26,901.57	23,012.27	24,854.63	21,246.57
29,840.62	26,245.05	28,861.14	25,026.07
$14,306.28	$685,962.20	$922,840.26	$2,207,211.09

* Amount received from U. S. Government in full final settlement of the guaranty under Sections 209 and 212 of the Transportation Act, 1920.

Certified Correct:

F. D. HODGSON
Comptroller

Exhibit No. 37.

THE HOCKING VALLEY RAILWAY COMPANY
PROFIT AND LOSS ACCOUNT
ELEVEN MONTHS ENDED NOVEMBER 30, 1924

		Debits	Credits
	Credit balance January 1, 1924	.....	$10,459,242.94
(606)	Donations	.....	8,053.06
(607)	Miscellaneous Credits	.....	446.51
(615)	Surplus appropriated for investments in physical property	$8,053.06	.....
(617)	Net discount extinguished through surplus (Adjustment)	.....	795.63
(619)	Loss on retired road and equipment	6,022.07	.....
(621)	Miscellaneous debits	249.23	.....
	Credit balance	10,454,213.78	.....
		$10,468,538.14	$10,468,538.14
	Credit balance November 30, 1924	.....	$10,454,213.78
	To which should be added Income balance for the eleven months ended November 30, 1924, $2,207,211.09; and from which should be deducted the dividends declared during the same period $439,980.00; which at November 30, 1924 had not formally been transferred to Profit and Loss, making a net addition of	..	$1,767,231.09

Certified Correct:
F. D. HODGSON
Comptroller

Exhibit No. 38.

THE HOCKING VALLEY RAILWAY COMPANY

GENERAL BALANCE SHEET AS OF NOVEMBER 30, 1924

(Losses and Deficits shown in italics)

ASSETS

INVESTMENTS		
Road and Equipment		
Investment to June 30, 1914—Road	$29,586,170.38	
Investment to June 30, 1914—Equipment	13,620,329.60	
Investment to June 30, 1914—General	23,363.35	
Investment since June 30, 1914—Road	5,263,604.74	
Investment since June 30, 1914—Equipment	6,827,771.71	
Investment since June 30, 1914—General	*6,797.65*	
Expenditures for Additions and Betterments	2,955,031.59	
		$58,270,479.72
Sinking Funds		650.74
Deposits in Lieu of Mortgaged Property Sold		568,111.83
Investments in Affiliated Companies		
Stocks	108,289.66	
Bonds	496,451.80	
Advances	58,929.06	
		663,670.52
Other Investments		
Bonds		326,000.00
CURRENT ASSETS		
Cash in Treasury	5,613,861.51	
Cash in Transit	255,175.36	
Demand Loans and Deposits	250,000.00	
Time Drafts and Deposits	500,000.00	
Special Deposits	22,678.94	
Traffic and Car Service Balances Receivable	309,638.77	
Net Balance Receivable from Agents and Conductors	411,515.63	
Drawbacks and Overcharges	11,525.42	
Miscellaneous Accounts Receivable	380,610.50	
Materials and Supplies	1,167,408.51	
Interest and Dividends Receivable	7,627.06	
Other Current Assets	16,667.88	
		8,946,709.58
DEFERRED ASSETS		
Working Fund Advances	7,456.06	
Insurance, and Other Funds	78,843.17	
		86,299.23
UNADJUSTED DEBITS		
Rents and Insurance Premiums Paid in Advance	3,550.23	
Other Unadjusted Debits	1,204,453.35	
Securities Issued or Assumed—Unpledged	$2,148,500.00	
Securities Issued or Assumed—Pledged	$10,653,000.00	
		1,208,003.58
CHARGES TO INCOME		
Railway Tax Accruals	1,113,477.33	
Uncollectible Railway Revenues	749.63	
Joint Facility Rents	134,330.79	
Rent for Leased Roads	35,740.92	
Miscellaneous Rents	284.00	
Interest on Funded Debt	1,305,373.46	
Interest on Unfunded Debt	303,879.84	
Miscellaneous Income Charges	12,085.47	
Income Applied to Sinking and other Reserve Funds	3,779.50	
Miscellaneous Appropriations of Income	21,246.57	
		2,930,947.51
Dividend Appropriations of Surplus	439,980.00	439,980.00
TOTAL		$73,440,852.71

Exhibit No. 38.

THE HOCKING VALLEY RAILWAY COMPANY

GENERAL BALANCE SHEET AS OF NOVEMBER 30, 1924

(Losses and Deficits shown in italics)

LIABILITIES

STOCK		
Common Capital Stock	$11,000,000.00	
Book Liability at Date	11,000,000.00	
Less held by or for the Company at Date	500.00	
		$10,999,500.00
FUNDED DEBT		
Equipment Trust, No. 32, Jan. 15, 1920, Final Payment, 1935	986,700.00	
Equipment Trust, No. 32-A, Jan. 15, 1920, Final Payment, 1935	1,092,300.00	
Equipment Trust, Series 1923, Final Payment, 1938	3,752,000.00	
Equipment Trust, Series 1924, Final Payment, 1939	1,740,000.00	
Ten Year Six Per Cent. Collateral Notes, 1931-1932	1,665,000.00	
Six Year Six Per Cent. Collateral Note, 1930	700,000.00	
4% Extd. First Mortgage Bonds—C. & H. V. R. R. Co., 1948	1,401,000.00	
4% Extd. First Mortgage Bonds—C. & T. R. R. Co., 1955	2,441,000.00	
4½% First Consolidated Mortgage Bonds, 1999	16,022,000.00	
6% General Mortgage Bonds, Series A, 1949	12,801,000.00	
Book Liability at Date	42,601,000.00	
Less held by or for the Company at Date	12,801,000.00	
		29,800,000.00
CURRENT LIABILITIES		
Loans and Bills Payable	6,000,000.00	
Traffic and Car Service Balances Payable	1,548,573.14	
Audited Vouchers Payable	636,699.69	
Audited Pay Rolls Payable	589,982.87	
Unpaid Wages Payable	49.49	
Miscellaneous Accounts Payable	185,147.76	
Interest Matured Unpaid	11,522.50	
Funded Debt Matured Unpaid	2,000.00	
Unmatured Dividends Declared	219,990.00	
Unmatured Interest Accrued	583,718.33	
Other Current Liabilities	44,450.73	
		9,822,134.51
DEFERRED LIABILITIES		56,590.02
UNADJUSTED CREDITS		
Tax Liability	1,003,417.48	
Insurance and Casualty Reserves	78,843.17	
Operating Reserves	396,978.77	
Accrued Depreciation—Equipment	4,374,339.50	
Other Unadjusted Credits	746,768.40	
		6,600,347.32
CREDITS TO INCOME		
Net Revenue—Rail Operations	4,005,918.61	
Hire of Equipment—Credit Balance	300,268.58	
Joint Facility Rents	200,333.27	
Miscellaneous Rent Income	8,412.16	
Income from Funded Securities	43,704.01	
Income from Unfunded Securities and Accounts	122,111.50	
Income from Sinking and other Reserve Funds	3,779.50	
Miscellaneous Income	453,630.97	
		5,138,158.60
CORPORATE SURPLUS		
Additions to Property Through Income and Surplus	287,413.77	
Funded Debt Retired Through Income and Surplus	131,331.90	
Sinking Fund Reserves	650.74	
Miscellaneous Fund Reserves	137,106.82	
Appropriated Surplus not Specifically Invested	13,405.25	
TOTAL APPROPRIATED SURPLUS	569,908.48	
Profit and Loss—Balance	10,454,213.78	
TOTAL CORPORATE SURPLUS		11,024,122.26
TOTAL		$73,440,852.71

STATE OF NEW YORK }
County of New York } ss.

F. D. HODGSON, being duly sworn, says that he is the Comptroller of The Hocking Valley Railway Company and that the foregoing General Balance Sheet is true and correct to the best of his knowledge and belief.

F. D. HODGSON

Sworn to before me this 20th day of February, 1925.

JAMES McCARRON
Notary Public, Kings Co. No. 62
Certificate filed New York Co., No. 144
Register's Nos. Kings, 6057, N. Y. 6126
Commission expires March 30, 1926

[SEAL]

Exhibit No. 39.

ERIE RAILROAD COMPANY

CORPORATE INCOME ACCOUNT

YEARS ENDED DECEMBER 31, 1919, 1920, 1921, 1922 AND 1923, AND ELEVEN MONTHS ENDED NOVEMBER 30, 1924

(Losses and deficits shown in italics)

	1919	1920
OPERATING REVENUES:		
Freight	.....	$73,804,724.75
Passenger	.....	12,491,719.44
Mail	.....	580,176.17
Express	.....	2,525,769.02
All other transportation	.....	2,546,436.91
Incidental	.....	1,922,209.78
Joint Facility—Cr.	.....	2,782.76
Joint Facility—Dr.	.....	7,997.48
Total Railway Operating Revenues.	.....	$93,865,821.35
OPERATING EXPENSES:		
Maintenance of Way & Structures.	.....	$13,019,520.41
Maintenance of Equipment	.....	30,707,814.06
Traffic	.....	1,199,635.49
Transportation	.....	51,922,525.58
Miscellaneous Operations	.....	710,043.75
General	$306,910.96	3,051,926.69
Transportation for Investment—Cr.	.....	*24,979.48*
Total Railway Operating Expenses.	$306,910.96	$99,686,486.50
Net Revenue from Railway Operation.	*$306,910.96*	*$5,820,665.15*
Railway Tax Accruals	22,998.86	2,824,570.25
Uncollectible Railway Revenues	.....	17,074.41
Operating Income	*$329,909.82*	*$8,662,309.81*
Net Joint facility and hire of equipment rents	.....	$983,996.35
Net Railway Operating Income	*$329,909.82*	*$7,678,313.46*
NON-OPERATING INCOME:		
Income from lease of road	$15,527,638.87	$2,607,689.82
Miscellaneous rent income	226,796.61	216,593.69
Miscellaneous non-operating physical property	.....	.....
Separately operated properties—Profit	180,000.00	238,000.00
Dividend income	3,558,506.39	3,768,542.50
Income from funded securities	192,289.46	202,924.21
Income from Unfunded securities and accounts	260,094.16	115,171.65
Income from sinking and other reserve funds	.....	.....
Miscellaneous income	*202,438.20*	218,824.42
Claim under Government Guaranty.	.....	18,790,752.77
Total Non-Operating Income	19,742,887.29	26,158,499.06
Gross Income	19,412,977.47	18,480,185.60
DEDUCTIONS FROM GROSS INCOME:		
Rent for leased roads	2,278,630.23	2,310,260.45
Miscellaneous rents	28,500.44	54,225.58
Miscellaneous tax accruals	.....	.....
Separately operated properties—Loss.	797,182.29	698,688.54
Interest on funded debt	9,792,221.57	9,985,457.85
Interest on unfunded debt	863,085.44	740,796.15
Amortization of discount on funded debt	81,517.70	16,075.39
Maintenance of investment organization	3,329.37	442.88
Miscellaneous income charges	588,858.15	*667,333.97*
Total Deductions from Gross Income	$14,433,325.19	$13,138,612.87
Net Income (or Loss)	$4,979,652.28	$5,341,572.73
Income applied to Sinking and other reserve funds	$1,005,000.40	$976,015.47
Surplus (or Deficit)	$3,974,651.88	$4,365,557.26

Exhibit No. 39.

ERIE RAILROAD COMPANY

CORPORATE INCOME ACCOUNT

YEARS ENDED DECEMBER 31, 1919, 1920, 1921, 1922 AND 1923, AND ELEVEN MONTHS ENDED NOVEMBER 30, 1924

(Losses and deficits shown in italics)

1921	1922	1923	11 months ended Nov. 30, 1924
$82,011,728.64	$74,451,662.82	$95,853,671.11	$77,193,540.41
14,198,444.43	13,158,895.57	13,865,994.08	12,090,566.87
661,379.27	643,343.29	611,189.86	562,187.02
1,256,620.45	1,971,731.97	2,264,470.86	2,298,494.80
3,168,975.23	3,724,242.18	3,989,140.28	3,547,300.72
1,544,606.43	1,350,683.34	1,787,872.21	1,369,093.28
8,073.67	*1,014.20*	3,967.38	3,195.99
14,320.91	*7,255.00*	*21,775.17*	*20,685.57*
$102,835,507.21	$95,292,289.97	$118,354,530.61	$97,043,593.52
$12,503,600.49	$11,293,736.20	$12,790,121.23	$11,582,801.95
30,649,197.70	30,704,090.55	33,609,285.25	25,821,545.54
1,532,238.50	1,593,610.07	1,688,262.00	1,609,018.34
46,088,573.18	43,597,244.99	46,137,511.24	37,685,912.80
573,147.04	578,898.19	622,866.90	561,415.35
3,569,883.66	3,410,461.80	3,455,837.82	3,127,055.13
23,232.04	*110,175.38*	*68,410.68*	*103,674.17*
$94,893,208.53	$91,067,866.42	$98,235,473.76	$80,284,074.94
$7,942,298.66	$4,224,423.55	$20,119,056.85	$16,759,518.58
3,167,256.60	3,321,473.82	3,714,808.33	3,712,000.00
42,787.91	48,102.18	108,410.20	86,718.80
$4,732,254.17	$854,847.55	$16,295,838.32	$12,960,799.78
$836,855.85	$1,292,064.00	$1,639,774.61	$1,709,356.39
$5,569,110.02	$2,146,911.55	$17,935,612.93	$14,670,156.17
$70,473.76	*$184,906.46*	$75,781.03	$69,324.22
483,363.34	482,454.36	384,966.64	422,920.10
.....	.....	.....	856.16
132,000.00	183,428.05	*14,030.40*	401,771.84
9,117,300.41	11,020,749.81	5,928,136.96	5,815,983.75
652,684.09	361,496.43	156,490.90	109,897.91
717,556.31	319,084.00	207,869.98	183,151.75
.....	3,744.58	4,279.16	4,010.39
38,475.87	*69,127.92*	35,633.65	18,986.37
2,894,942.03	*1,151,111.24*	*2,047,976.19*	*254,576.65*
$14,106,795.81	$10,965,811.61	$4,731,161.73	$6,772,325.84
$19,675,905.83	$13,112,723.16	$22,666,774.66	$21,442,482.01
$2,308,672.42	$2,315,277.87	$2,340,003.86	$2,177,117.94
55,766.58	452,950.34	318,650.32	304,405.59
.....	222,516.35	85,897.85	85,100.00
3,459,386.49	1,982,279.54	296,597.02	.....
10,075,594.59	10,145,809.69	9,907,152.75	9,591,009.95
900,905.32	972,165.15	1,135,159.23	943,472.93
1,958.69	9,888.73	42,034.88	.....
60.00	2,686.87	3,837.71	4,994.62
128,543.05	15,006.91	78,982.03	66,806.78
$16,673,801.04	$16,118,581.45	$14,208,315.65	$13,172,907.81
3,002,104.79	*3,005,858.29*	8,458,459.01	8,269,574.20
1,099,171.48	946,047.31	1,217,064.92	1,153,742.96
$1,902,933.31	*$3,951,905.60*	$7,241,394.09	$7,115,831.24

Certified Correct:
C. P. CRAWFORD
Comptroller

Exhibit No. 40.

ERIE RAILROAD COMPANY

PROFIT AND LOSS ACCOUNT

ELEVEN MONTHS ENDED NOVEMBER 30, 1924

	Debit	Credit
Balance at December 31, 1923.....	.....	$51,642,310.75
Balance transferred from Income.	.....	7,115,831.24
Profit on Road and Equipment sold.	.....	18,114.17
Donations	.....	120,792.24
Miscellaneous Credits.....	.....	156,125.89
Surplus appropriated for Investment in physical property.....	$120,792.24	.....
Loss on Retired Road & Equipment	499,434.73	.....
Miscellaneous Debits.....	327,312.08	.....
Credit Balance November 30, 1924.	58,105,635.24	.....
	$59,053,174.29	$59,053,174.29

Certified Correct:
C. P. CRAWFORD
Comptroller

Exhibit No. 41.

ERIE RAILROAD COMPANY

GENERAL BALANCE SHEET AS OF NOVEMBER 30, 1924

ASSETS

Investments:		
Investment in road and equipment		$318,174,907.46
Improvements on leased railway property		33,892,564.15
Sinking funds		18,115,823.86
Deposits in lieu of mortgaged property sold		246,190.00
Miscellaneous physical property		93,434.84
Investments in Affiliated Companies:		
Stocks	$93,321,498.18	
Bonds	38,794,816.09	
Notes	1,164,300.00	
Advances	19,087,332.96	152,367,947.23
Other Investments:		
Stocks	712,360.90	
Bonds	225,448.00	
Miscellaneous	21,557.00	959,365.90
Current Assets:		
Cash	8,999,842.43	
Special deposits	2,120,311.53	
Loans and bills receivable	32,482.98	
Traffic and car-service balances receivable	5,130,048.08	
Net balance receivable from agents & conductors	830,054.80	
Miscellaneous accounts receivable	5,717,702.64	
Material and supplies	10,902,239.59	
Interest and dividends receivable	487,181.19	
Other current assets	301,868.53	34,521,731.77
Deferred Assets:		
Working fund advances	35,792.23	
Insurance and other funds	99,764.38	
Other deferred assets	342,987.30	478,543.91
Unadjusted Debits:		
Rents and insurance premiums paid in advance	277,060.99	
Discount on funded debt	27,527.09	
Other unadjusted debits	2,060,579.47	
" " " U. S. Govt. Account Guaranty	2,627,178.95	
Securities issued or assumed—Unpledged:		
Bonds and other evidences of funded debt	8,665,900.00	
Securities issued or assumed—Pledged:		
Bonds and other evidences of funded debt	63,850,000.00	77,508,246.50
		$636,358,755.62

Exhibit No. 41.

ERIE RAILROAD COMPANY

GENERAL BALANCE SHEET AS OF NOVEMBER 30, 1924

LIABILITIES

Capital Stock:		
Common	$112,481,900.00	
First preferred	47,904,400.00	
Second preferred	16,000,000.00	$176,386,300.00
Long Term Debt:		
Equipment obligations	24,027,100.00	
Mortgage bonds	225,644,900.00	
Collateral trust bonds	57,998,950.00	
Miscellaneous obligations	1,011,705.29	308,682,655.29
Current Liabilities:		
Loans and bills payable	15,752,470.46	
Traffic and car-service balances payable	5,180,775.99	
Audited accounts and wages payable	10,806,537.24	
Miscellaneous accounts payable	536,573.02	
Interest matured unpaid	145,828.02	
Dividends matured unpaid	5,330.00	
Funded debt matured unpaid	366,225.00	
Unmatured interest accrued	3,305,886.77	
Unmatured rents accrued	544,804.31	
Other current liabilities	313,594.44	36,958,025.25
Deferred Liabilities:		
Other deferred liabilities	907,096.88	907,096.88
Unadjusted Credits:		
Tax liability	557,503.61	
Operating reserves	1,019,381.30	
Accrued depreciation—Equipment	25,169,773.08	
Other unadjusted credits	2,853,629.74	29,600,287.73
Corporate Surplus:		
Additions to property through income & surplus	8,577,707.28	
Funded debt retired through income and surplus	507,282.28	
Sinking fund reserves	16,633,765.67	
Profit and loss—Balance	58,105,635.24	83,824,390.47
		$636,358,755.62

State of New York }
County of New York } ss

C. P. Crawford, being duly sworn, deposes and says that he resides in the Town of Montclair, N. J. and is the Comptroller of the Erie Railroad Company; that he has read the foregoing and knows the contents thereof and that the same is true to the best of his knowledge and belief.

C. P. Crawford

Sworn to before me this
20th day of February, 1925

James McCarron
[seal] Notary Public, Kings Co. No. 62
Certificate filed New York Co., No. 144
Register's Nos. Kings, 6057, N. Y. 6126
Commission expires March 30, 1926

Exhibit No. 42.

BATH AND HAMMONDSPORT RAILROAD COMPANY

CORPORATE INCOME ACCOUNT

YEARS ENDED DECEMBER 31, 1919, 1920, 1921, 1922 AND 1923 AND ELEVEN MONTHS ENDED NOVEMBER 30, 1924

(Losses and Deficits shown in italics)

	1919
OPERATING REVENUES:	
Transportation:	
Freight	.....
Passenger	.....
Mail	.....
Express	.....
All other transportation	.....
Incidental	.....
Total Railway Operating Revenues	.....
OPERATING EXPENSES:	
Maintenance of way and structures	.....
Maintenance of equipment	.....
Traffic	.....
Transportation	.....
General	$3,420.13
Total Railway Operating Expenses	$3,420.13
Net Revenue from Railway operation	*$3,420.13*
Railway tax accruals	50.00
Uncollectible Railway revenues	.....
Operating Income	*$3,470.13*
Net joint facility and hire of equipment rents—Debit	.....
Net Railway Operating Income	*$3,470.13*
NON-OPERATING INCOME:	
Income from lease of road	$7,221.43
Miscellaneous Rent Income	480.00
Income from unfunded securities and accounts	18.69
Miscellaneous income	*644.65*
Claim under Government Guaranty	.....
Total Non-Operating Income	$7,075.47
Gross Income	$3,605.34
DEDUCTIONS FROM GROSS INCOME:	
Interest on funded debt	$15,583.33
Interest on unfunded debt	.....
Amortization of Discount on funded debt	19.54
Miscellaneous income charges	2,040.96
Total Deductions from Gross Income	$17,643.83
Surplus (or Deficit)	*$14,038.49*

Exhibit No. 42.

BATH AND HAMMONDSPORT RAILROAD COMPANY

CORPORATE INCOME ACCOUNT

YEARS ENDED DECEMBER 31, 1919, 1920, 1921, 1922 AND 1923 AND ELEVEN MONTHS ENDED NOVEMBER 30, 1924

(Losses and Deficits shown in italics)

1920	1921	1922	1923	11 months ended Nov. 30, 1924
$33,637.22	$20,358.73	$37,104.32	$23,716.35	$23,843.82
880.09	282.06	159.37	86.65	65.15
.....	.....	.....	.....	.....
8,851.36	1,244.93	15.01	2,475.53	3,902.14
13.70	13.78	99.28	17.08	.95
412.93	358.27	838.47	1,484.94	389.14
$43,795.30	$22,257.77	$38,216.45	$27,780.55	$28,201.20
$6,540.98	$6,016.33	$5,833.77	$9,748.21	$9,195.33
5,976.49	3,827.64	2,263.92	1,721.79	1,232.85
819.56	1,399.24	15.55	166.86	14.82
15,873.18	12,239.41	12,598.25	12,959.34	7,740.02
1,940.21	570.51	1,461.99	839.29	299.24
$31,150.42	$24,053.13	$22,173.48	$25,435.49	$18,482.26
$12,644.88	*$1,795.36*	$16,042.97	$2,345.06	$9,718.94
2,544.67	4,283.74	3,253.06	3,199.26	3,020.00
1.37	4.27	86.36	87.50	.....
$10,098.84	*$6,083.37*	$12,703.55	*$941.70*	$6,698.94
$3,600.58	*$4,699.54*	*$4,609.13*	*$3,870.98*	*$3,270.17*
$6,498.26	*$10,782.91*	$8,094.42	*$4,812.68*	$3,428.77
$1,203.58	.....	*$3.09*	.....	.....
541.12	$495.00	*526.01*	$110.75	$10.00
61.16	68.53	1,947.53	466.72	270.40
228.82	53.54	*25.53*	20.00	40.00
12,974.60	2,770.79	*135.62*	.....	.....
$15,009.28	$3,387.86	$1,257.28	$597.47	$320.40
$21,507.54	*$7,395.05*	$9,351.70	*$4,215.21*	$3,749.17
$16,000.00	$16,000.00	$16,000.00	$16,000.00	$14,666.66
.....	.....	.05	.20	.....
.....	.....	.....	18.15	.....
11.49	1,253.23	*2,986.04*	15.00	.....
$16,011.49	$17,253.23	$13,014.01	$16,033.35	$14,666.66
$5,496.05	*$24,648.28*	*$3,662.31*	*$20,248.56*	*$10,917.49*

Certified Correct:

C. P. CRAWFORD
Comptroller

Exhibit No. 43.

BATH AND HAMMONDSPORT RAILROAD COMPANY

PROFIT AND LOSS ACCOUNT

ELEVEN MONTHS ENDED NOVEMBER 30, 1924

	Debit	Credit
Balance at December 31, 1923	$147,075.88	.....
Balance transferred from Income	10,917.49	.....
Debit Balance November 30, 1924	.....	$157,993.37
	$157,993.37	$157,993.37

Certified Correct:

C. P. CRAWFORD

Comptroller.

Exhibit No. 44.

BATH AND HAMMONDSPORT RAILROAD COMPANY

GENERAL BALANCE SHEET AS OF NOVEMBER 30, 1924

ASSETS

(Losses and Deficits shown in italics)

INVESTMENTS:		
Investment in road and equipment		$397,586.55
CURRENT ASSETS:		
Cash	$18,140.00	
Traffic and car service balances receivable	336.93	
Net balance receivable from agents & conductors	29.50	
Miscellaneous accounts receivable	369.78	
Material and supplies	1,276.68	
Other current assets	16.77	20,169.66
UNADJUSTED DEBITS:		
Rents and insurance premiums paid in advance	153.23	
Other unadjusted debits—U. S. Govt. account Guaranty	6,609.77	6,763.00
		$424,519.21

Exhibit No. 44.

BATH AND HAMMONDSPORT RAILROAD COMPANY

GENERAL BALANCE SHEET AS OF NOVEMBER 30, 1924

LIABILITIES

(Losses and Deficits shown in italics)

CAPITAL STOCK:		
Common		$100,000.00
LONG TERM DEBT:		
Mortgage bonds		300,000.00
Non negotiable debt to affiliated companies		7,300.00
CURRENT LIABILITIES:		
Traffic and car service balances payable	$968.74	
Audited accounts and wages payable	3,021.85	
Miscellaneous accounts payable	4.63	
Interest matured unpaid	158,025.00	
Unmatured interest accrued	1,666.66	
Other current liabilities	140.04	163,826.92
UNADJUSTED CREDITS:		
Tax liability	*442.82*	
Operating reserves	490.85	
Accrued depreciation—equipment	3,307.09	
Other unadjusted credits	1,225.29	4,580.41
CORPORATE SURPLUS:		
Additions to property thru income & surplus	6,805.25	
Profit and loss—Debit balance	*157,993.37*	*151,188.12*
		$424,519.21

STATE OF NEW YORK } ss
County of New York }

C. P. CRAWFORD, being duly sworn, deposes and says that he resides in the Town of Montclair, N. J., and is the Comptroller of the Bath and Hammondsport Railroad Company; that he has read the foregoing and knows the contents thereof and that the same is true to the best of his knowledge and belief

C. P. CRAWFORD

Sworn to before me this 20th day of February, 1925.

JAMES McCARRON
[SEAL] Notary Public
Kings Co. No. 62
Certificate filed New York Co., No. 144
Register's Nos. Kings, 6057, N. Y. 6126
Commission expires March 30, 1926

Exhibit No. 45.

CHICAGO AND ERIE RAILROAD COMPANY
CORPORATE INCOME ACCOUNT

YEARS ENDED DECEMBER 31, 1919, 1920, 1921, 1922 AND 1923 AND ELEVEN MONTHS ENDED NOVEMBER 30, 1924

(Losses and Deficits shown in italics)

	1919	1920
OPERATING REVENUES:		
Transportation:		
Freight	$.....	$9,490,062.78
Passenger	.....	862,254.67
Mail	.....	88,593.76
Express	.....	439,421.12
All other transportation	.....	121,023.07
Incidental	.....	62,467.70
Joint Facility—Cr.	.....	6,644.02
Joint Facility—Dr.	.....	.....
Total Railway Operating Revenues	$.....	$11,070,467.12
OPERATING EXPENSES:		
Maintenance of way and structures	$.....	1,451,740.35
Maintenance of equipment	.....	1,810,248.29
Traffic	.....	175,564.24
Transportation	.....	5,728,025.42
Miscellaneous operations	.....	30,296.78
General	33,527.38	401,068.71
Transportation for investment—Credit	.....	*12,733.06*
Total Railway Operating Expenses	33,527.38	9,584,210.73
Net revenue from Railway operation	*33,527.38*	1,486,256.39
Railway tax accruals	.....	361,929.06
Uncollectible railway revenues	.....	473.05
Operating Income	*$33,527.38*	1,123,854.28
Net joint facility and hire of equipment rents—Debit	$.....	*$3,049,752.79*
Net Railway Operating Income	*$33,527.38*	*$1,925,898.51*
NON-OPERATING INCOME:		
Miscellaneous non-operating physical property	.....	.....
Income from lease of road	$337,323.76	46,871.06
Miscellaneous rent income	20,933.81	24,481.60
Contributions from other companies	797,182.29	679,696.42
Dividend income	74,400.00	74,400.00
Income from funded securities	8,946.67	16,666.66
Income from unfunded securities and accounts	554.19	6,491.11
Miscellaneous income	*7,121.43*	*36,033.72*
Claim under Government Guaranty	.....	1,809,346.68
Total Non-operating Income	$1,232,219.29	$2,621,919.81
Gross Income	$1,198,691.91	$696,021.30
DEDUCTIONS FROM GROSS INCOME:		
Rent for leased roads	$172,943.22	$72,699.93
Miscellaneous rents	6.00	71.00
Miscellaneous tax accruals	.....	.....
Interest on funded debt	624,900.00	624,900.00
Interest on unfunded debt	4,295.29	1,819.40
Income transferred to other companies	.....	.....
Miscellaneous income charges	396,547.40	*3,469.03*
Total Deductions from Gross Income	$1,198,691.91	$696,021.30
Net Income	.....	.....

Exhibit No. 45.

CHICAGO AND ERIE RAILROAD COMPANY
CORPORATE INCOME ACCOUNT

YEARS ENDED DECEMBER 31, 1919, 1920, 1921, 1922 AND 1923 AND ELEVEN MONTHS ENDED NOVEMBER 30, 1924

(Losses and Deficits shown in italics)

1921	1922	1923	11 months ended Nov. 30, 1924
$9,200,422.41	$10,093,543.37	$12,887,306.75	$11,207,439.45
824,184.79	713,272.49	830,902.87	705,718.44
109,090.15	110,661.53	105,322.85	91,685.22
286,564.99	435,691.65	553,012.51	722,640.11
231,572.97	180,675.81	175,591.50	158,925.11
45,227.31	43,133.94	64,297.14	43,870.74
6,528.30	4,834.60	7,544.69	6,518.97
.....	.....	*53.95*	*15.65*
$10,703,590.92	$11,581,813.39	$14,623,924.36	$12,936,782.39
$1,502,701.55	$1,405,767.24	$1,517,447.59	$1,397,719.37
1,850,954.76	2,008,551.64	2,445,293.97	1,654,273.62
227,650.49	228,851.31	253,971.61	251,117.20
6,290,647.66	4,985,044.00	5,181,656.04	4,463,015.42
11,929.58	10,592.04	8,859.71	4,645.31
489,263.66	407,221.18	449,570.72	406,138.48
19,200.16	*12,370.33*	*22,128.13*	*11,665.91*
$10,263,947.54	$9,033,657.08	$9,834,671.51	$8,165,243.49
$439,643.38	$2,548,156.31	$4,789,252.85	$4,771,538.90
571,192.12	541,751.88	545,195.05	570,238.00
117.81	258.85	778.88	680.13
$131,666.55	$2,006,145.58	$4,243,278.92	$4,200,620.77
$3,303,746.64	*$3,508,146.23*	*$3,858,478.75*	*$3,193,705.91*
$3,435,413.19	*$1,502,000.65*	$384,800.17	$1,006,914.86
$.....	$.....	$.....	$14.39
.....	133,077.07	.....	.....
29,767.56	23,626.65	16,641.44	17,626.62
3,443,613.67	1,969,260.05	296,597.02	.....
74,400.00	74,400.00	99,400.00	68,200.00
28,171.88	18,421.67	6,097.64	3,201.14
7,477.33	6,255.19	8,201.32	7,217.92
30,612.59	93,303.57	374.20	105.60
459,282.69	*94,841.81*	*59,409.68*	4,398.72
$4,012,100.54	$2,223,502.39	$367,901.94	$91,966.95
$576,687.35	$721,501.74	$752,702.11	$1,098,881.81
$71,327.37	$77,616.40	$86,677.44	$76,590.82
222.00	40,505.02	33,483.77	31,178.81
.....	26,301.37	11,649.61	13,006.00
625,808.34	625,723.76	625,400.00	573,529.04
1,659.10	1,347.80	1,727.83	2,749.87
.....	.....	.....	401,771.84
122,329.46	*49,992.61*	*6,236.54*	55.43
$576,687.35	$721,501.74	$752,702.11	$1,098,881.81
.....	.....	.....	.....

Certified Correct:
C. P. CRAWFORD
Comptroller

Exhibit No. 46.

CHICAGO AND ERIE RAILROAD COMPANY

PROFIT AND LOSS ACCOUNT

ELEVEN MONTHS ENDED NOVEMBER 30, 1924

	Debit	Credit
Donations	.....	$5,845.35
Miscellaneous Credits	.....	278,468.62
Surplus appropriated for Investment in physical property	$5,845.35	.....
Loss on Retired road and equipment	231,630.81	.....
Miscellaneous Debits	46,837.81	.....
	$284,313.97	$284,313.97

Certified Correct:

C. P. CRAWFORD

Comptroller.

Exhibit No. 47.

CHICAGO AND ERIE RAILROAD COMPANY

GENERAL BALANCE SHEET AS OF NOVEMBER 30, 1924

ASSETS

Investments:		
Investment in road and equipment		$33,153,385.55
Investments in Affiliated Companies:		
Stocks	$1,240,000.00	
Bonds	17,000.00	
Advances	606,755.60	1,863,755.60
Current Assets:		
Cash	220,099.19	
Miscellaneous accounts receivable	215,313.32	
Material and supplies	563,105.39	
Interest and dividends receivable	16,433.34	1,014,951.24
Deferred Assets:		
Working fund advances	4,791.05	
Other deferred assets	6,176.25	10,967.30
Unadjusted Debits:		
Rents and insurance premiums paid in advance	7,314.62	
Discount on funded debt	20.00	
Other unadjusted debits	49,548.77	
Other unadjusted debits U. S. Govt. Account Guaranty	365,837.24	422,720.63
		$36,465,780.32

Exhibit No. 47.

CHICAGO AND ERIE RAILROAD COMPANY

GENERAL BALANCE SHEET AS OF NOVEMBER 30, 1924

LIABILITIES

Capital Stock:		
Common		$100,000.00
Long Term Debt:		
Mortgage Bonds	$12,300,000.00	
Income bonds	10,000,000.00	22,300,000.00
Non-negotiable debt to affiliated companies		11,925,249.47
Current Liabilities:		
Audited accounts and wages payable	427,182.20	
Miscellaneous accounts payable	226,265.82	
Interest matured unpaid	25,537.96	
Unmatured interest accrued	56,250.00	735,235.98
Deferred Liabilities:		
Other deferred liabilities		62,421.31
Unadjusted Credits:		
Tax liability	75,631.75	
Operating reserves	428,314.45	
Accrued depreciation—Equipment	54,341.61	
Other unadjusted credits	257,741.25	816,029.06
Corporate Surplus:		
Additions to property through income & surplus		526,844.50
		$36,465,780.32

State of New York } ss
County of New York }

C. P. Crawford, being duly sworn, deposes and says that he resides in the Town of Montclair, N. J. and is the Comptroller of the Chicago and Erie Railroad Company; that he has read the foregoing and knows the contents thereof and that the same is true to the best of his knowledge and belief.

C. P. Crawford

Sworn to before me this 20th day of February, 1925.

James McCarron

[seal] Notary Public.

Kings Co. No. 62

Certificate filed New York Co., No. 144

Register's Nos Kings, 6057, N. Y. 6126

Commission expires March 30, 1926

Exhibit No. 48.

ERIE TERMINALS RAILROAD COMPANY

CORPORATE INCOME ACCOUNT

YEARS ENDED DECEMBER 31, 1919, 1920, 1921, 1922 AND 1923 AND ELEVEN MONTHS ENDED NOVEMBER 30, 1924

(Losses and Deficits shown in italics)

	1919
Railway Tax Accruals	.....
Joint Facility Rent Income	.....
Net Railway Operating Income	.....
NON-OPERATING INCOME:	
Income from lease of road	$18,965.79
Miscellaneous rent income	1,027.02
Income from unfunded securities and accounts	15.40
Miscellaneous income	.....
Total Non-Operating Income	$20,008.21
Gross Income	$20,008.21
DEDUCTIONS FROM GROSS INCOME:	
Interest on funded debt	$18,106.20
Interest on unfunded debt	1,829.16
Maintenance of investment organization	201.00
Total Deductions from Gross Income	$20,136.36
Net Income	*$128.15*

Exhibit No. 48.

ERIE TERMINALS RAILROAD COMPANY

CORPORATE INCOME ACCOUNT

YEARS ENDED DECEMBER 31, 1919, 1920, 1921, 1922 AND 1923 AND ELEVEN MONTHS ENDED NOVEMBER 30, 1924

(Losses and Deficits shown in italics)

1920	1921	1922	1923	11 months to Nov. 30, 1924
$1,801.38	$2,381.54	$2,437.80	$2,217.39	$1,638.93
16,696.10	.....	*1.84*	.....	.....
$14,894.72	*$2,381.54*	*$2,439.64*	*$2,217.39*	*$1,638.93*
3,160.96	$22,352.64	$20,225.06	$20,298.69	$18,789.61
1,678.01	1,013.45	1,305.85	1,632.00	1,013.44
34.68	161.71	723.91	116.10	34.36
142.15	80.00	120.00	60.00	60.00
$5,015.80	$23,607.80	$22,374.82	$22,106.79	$19,897.41
$19,910.52	$21,226.26	$19,935.18	$19,889.40	$18,258.48
$18,106.20	$19,935.36	$19,935.28	$19,935.28	$18,274.08
1,829.16	.....	.....	.....	.....
141.00	160.50	131.00	131.50	92.00
$20,076.36	$20,095.86	$20,066.28	$20,066.78	$18,366.08
$165.84	$1,130.40	*$131.10*	*$177.38*	*$107.00*

Certified Correct:

C. P. CRAWFORD
Comptroller.

Exhibit No. 49.

ERIE TERMINALS RAILROAD COMPANY

PROFIT AND LOSS ACCOUNT

ELEVEN MONTHS ENDED NOVEMBER 30, 1924

	Debit	Credit
Balance at December 31, 1923	.....	$15,112.71
Balance transferred from Income	$107.60	.....
Miscellaneous Credits	.....	85.17
Miscellaneous Debits	13.72	.....
Credit Balance November 30, 1924	15,076.56	.....
	$15,197.88	$15,197.88

Certified Correct:

C. P. CRAWFORD
Comptroller.

Exhibit No. 50.

ERIE TERMINALS RAILROAD COMPANY

GENERAL BALANCE SHEET AS OF NOVEMBER 30, 1924

ASSETS

INVESTMENTS:		
Investment in road and equipment		$987,377.26
CURRENT ASSETS:		
Cash	$557.80	
Special Deposits	62,080.00	
Miscellaneous Accounts Receivable	8,637.59	72,275.39
		$1,059,652.65

Exhibit No. 50.

ERIE TERMINALS RAILROAD COMPANY

GENERAL BALANCE SHEET AS OF NOVEMBER 30, 1924

LIABILITIES

CAPITAL STOCK:		
Common		$68,000.00
LONG TERM DEBT:		
Non-negotiable debt to affiliated companies:		
Notes	$600,000.00	
Open accounts	364,278.23	964,278.23
CURRENT LIABILITIES:		
Audited accounts and wages payable		167.03
DEFERRED LIABILITIES:		
Other deferred liabilities		7,384.61
CORPORATE SURPLUS:		
Additions to property through income & surplus	4,746.22	
Profit & Loss—Balance	15,076.56	19,822.78
		$1,059,652.65

STATE OF NEW YORK } ss
County of New York }

C. P. CRAWFORD, being duly sworn, deposes and says that he resides in the Town of Montclair, N. J. and is the Comptroller of the Erie Terminals Railroad Company; that he has read the foregoing and knows the contents thereof and that the same is true to the best of his knowledge and belief.

C. P. CRAWFORD

Sworn to before me this 20th day of February, 1925.

JAMES McCARRON
[SEAL] Notary Public,
Kings Co. No. 62
Certificate filed New York Co., No. 144
Register's Nos. Kings, 6057, N. Y. 6126
Commission expires March 30, 1926

Exhibit No. 51.

THE NEW JERSEY AND NEW YORK RAILROAD COMPANY

CORPORATE INCOME ACCOUNT

YEARS ENDED DECEMBER 31, 1919, 1920, 1921, 1922 AND 1923, AND ELEVEN MONTHS ENDED NOVEMBER 30, 1924

(Losses and Deficits shown in italics)

	1919
OPERATING REVENUES:	
Transportation:	
Freight	.....
Passenger	.....
Mail	.....
Express	.....
All other transportation	.....
Ineidental	.....
Total Railway Operating Revenues	.....
OPERATING EXPENSES:	
Maintenance of way and structures	.....
Maintenance of equipment	.....
Traffie	.....
Transportation	.....
General	$9,143.07
Transportation for investment—Credit	.....
Total Railway Operating Expenses	$9,143.07
Net revenue from Railway operation	*$9,143.07*
Railway tax accruals	.....
Uncollectible Railway revenues	.....
Operating Income	*$9,143.07*
Net joint facility and hire of equipment rents—Debit	.....
Net Railway Operating Income	*$9,143.07*
NON-OPERATING INCOME:	
Miscellaneous rent income	$734.97
Income from unfunded securities and accounts	36.44
Miscellaneous income	*30.93*
Claim under Government Guaranty	.....
Total Non-operating Income	$740.48
Gross Income	*$8,402.59*
DEDUCTIONS FROM GROSS INCOME:	
Miscellaneous tax accruals	.....
Interest on funded debt	$51,298.00
Interest on unfunded debt	1,074.82
Maintenance of investment organization	.....
Miscellaneous income charges	*19,934.21*
Total Deductions from Gross Income	$32,438.61
Surplus (or Deficit)	*$40,841.20*

Exhibit No. 51.

THE NEW JERSEY AND NEW YORK RAILROAD COMPANY

CORPORATE INCOME ACCOUNT

YEARS ENDED DECEMBER 31, 1919, 1920, 1921, 1922 AND 1923, AND ELEVEN MONTHS ENDED NOVEMBER 30, 1924

(Losses and Deficits shown in italics)

1920	1921	1922	1923	11 months ended Nov. 30, 1924
$161,375.96	$231,657.05	$231,588.08	$284,582.88	$256,601.30
928,087.90	1,212,733.15	1,210,742.19	1,241,869.52	1,143,614.62
12,520.27	9,836.01	6,553.84	9,597.77	8,621.32
30,453.13	11,830.04	29,780.17	24,684.13	23,120.45
2,403.23	7,377.94	7,580.81	8,180.98	5,645.25
11,131.20	14,521.37	16,527.07	18,847.80	19,325.54
$1,145,971.69	$1,487,955.56	$1,502,772.16	$1,587,763.08	$1,456,928.48
$118,905.31	$190,344.74	$192,509.30	$206,698.43	$215,663.13
189,478.84	237,429.70	273,797.79	246,482.65	219,031.97
15,518.88	17,753.01	14,771.78	16,780.03	14,137.35
719,446.88	840,790.58	848,240.53	803,944.89	714,101.57
30,190.00	33,524.36	40,849.22	49,546.77	38,579.61
6.00	*6.20*	*2.50*	*6.26*	*32.32*
$1,073,533.91	$1,319,836.19	$1,370,166.12	$1,323,446.51	$1,201,481.31
$72,437.78	$168,119.37	$132,606.04	$264,316.57	$255,447.17
25,284.20	32,819.53	36,592.93	39,912.93	39,710.00
11.11	124.95	253.22	618.04	227.70
$47,142.47	$135,174.89	$95,759.89	$223,785.60	$215,509.47
$215,382.28	*$324,646.23*	*$315,163.21*	*$341,644.87*	*$322,174.05*
$168,239.81	*$189,471.34*	*$219,403.32*	*$117,859.27*	*$106,664.58*
$634.83	$878.86	$994.50	$1,253.00	$1,686.34
3,406.45	3,006.58	4,917.71	5,654.63	3,302.23
223.19	*2,377.86*	444.17	134.00	272.50
152,600.57	46,397.06	*5,694.72*	9,682.77	.....
$156,418.66	$47,904.64	$661.66	$16,724.40	$5,261.07
$11,821.15	*$141,566.70*	*$218,741.66*	*$101,134.87*	*$101,403.51*
$.....	$.....	$174.76	$93.72	$49.90
51,298.00	51,298.00	51,298.00	51,298.00	47,023.18
892.69	.....	1.32	.44	.02
.....	.....	11.00	.....	100.00
1,495.39	880.91	*246.34*	507.75	550.00
$48,909.92	$52,178.91	$51,238.74	$51,899.91	$47,723.10
$60,731.07	*$193,745.61*	*$269,980.40*	*$153,034.78*	*$149,126.61*

Certified Correct:

C. P. CRAWFORD
Comptroller.

Exhibit No. 52.

THE NEW JERSEY AND NEW YORK RAILROAD COMPANY

PROFIT AND LOSS ACCOUNT

ELEVEN MONTHS ENDED NOVEMBER 30, 1924

	Debit	Credit
Balance at December 31, 1923	$959,379.91	.....
Balance transferred from income	149,126.61	.....
Donations	.....	$4,586.09
Miscellaneous Credits	.....	100.00
Surplus appropriated for investment in physical property	4,586.09	.....
Loss on retired road and equipment	2,050.58	.....
Miscellaneous Debits	.27	.....
Debit Balance November 30, 1924	.....	1,110,457.37
	$1,115,143.46	$1,115,143.46

Certified Correct:

C. P. CRAWFORD,
Comptroller.

Exhibit No. 53.

THE NEW JERSEY AND NEW YORK RAILROAD COMPANY

GENERAL BALANCE SHEET AS OF NOVEMBER 30, 1924

(Losses and Deficits shown in italics)

ASSETS

INVESTMENTS:		
Investment in road and equipment		$3,314,056.99
Improvements on leased railway property		11,970.68
INVESTMENTS IN AFFILIATED COMPANIES:		
Stocks	$83,375.00	
Bonds	137,100.00	220,475.00
CURRENT ASSETS:		
Cash	263,143.87	
Traffic and car service balances receivable	5,133.85	
Net balance receivable from Agents and Conductors	983.24	
Miscellaneous accounts receivable	24,167.76	
Material and supplies	25,745.03	
Other current assets	944.48	320,118.23
DEFERRED ASSETS:		
Other deferred assets		2,621.01
UNADJUSTED DEBITS:		
Rents and insurance premiums paid in advance	167.04	
Other unadjusted debits	4,020.52	
Securities issued or assumed—Unpledged	540.00	4,727.56
		$3,873,969.47

Exhibit No. 53.

THE NEW JERSEY AND NEW YORK RAILROAD COMPANY

GENERAL BALANCE SHEET AS OF NOVEMBER 30, 1924

(Losses and Deficits shown in italics)

LIABILITIES

CAPITAL STOCK:		
Common	$1,440,800.00	
Preferred	787,800.00	$2,228,600.00
LONG TERM DEBT:		
First Mortgage Bonds	394,000.00	
Second Mortgage Bonds	1,500.00	
General Mortgage Bonds	631,000.00	1,026,500.00
Non-negotiable debt to affiliated companies		82,650.00
CURRENT LIABILITIES:		
Traffic and car service balances payable	378,828.27	
Audited accounts and wages payable	965,548.70	
Miscellaneous accounts payable	1,694.04	
Interest matured unpaid	4,802.50	
Unmatured interest accrued	14,807.51	
Other current liabilities	822.29	1,366,303.31
UNADJUSTED CREDITS:		
Tax liability	1,577.19	
Operating reserves	12,181.62	
Accrued depreciation—Equipment	17,570.06	
Other unadjusted credits	29,437.01	60,765.88
CORPORATE SURPLUS:		
Additions to property through income and surplus	219,607.65	
Profit and Loss balance	*1,110,457.37*	*890,849.72*
		$3,873,969.47

STATE OF NEW YORK } ss
County of New York }

C. P. CRAWFORD, being duly sworn, deposes and says that he resides in the Town of Montclair, N. J. and is the Comptroller of The New Jersey and New York Railroad Company; that he has read the foregoing and knows the contents thereof and that the same is true to the best of his knowledge and belief.

C. P. CRAWFORD

Sworn to before me this 20th day of February, 1925.

JAMES McCARRON
Notary Public
Kings Co. No. 62

[SEAL]

Certificate filed New York Co., No. 144
Register's Nos. Kings, 6057, N. Y. 6126
Commission expires March 30, 1926

Exhibit No. 54.

NEW YORK, SUSQUEHANNA AND WESTERN RAILROAD COMPANY

CORPORATE INCOME ACCOUNT

YEARS ENDED DECEMBER 31, 1919, 1920, 1921, 1922 AND 1923 AND ELEVEN MONTHS ENDED NOVEMBER 30, 1924

(Losses and Deficits shown in italics)

	1919	1920
OPERATING REVENUES:		
Transportation:		
Freight	$.....	$2,700,992.83
Passenger	.....	659,536.56
Mail	.....	23,259.44
Express	.....	55,628.91
All other transportation	.....	204,343.62
Incidental	.....	164,087.87
Total Railway Operating Revenues	$.....	$3,807,849.23
OPERATING EXPENSES:		
Maintenance of way and structures	$.....	$748,413.89
Maintenance of equipment	.....	718,540.26
Traffic	.....	34,759.90
Transportation	.....	2,719,894.32
General	25,611.11	116,996.17
Transportation for investment—Credit	.....	*296.89*
Total Railway Operating Expenses	$25,611.11	$4,338,307.65
Net revenue from Railway operation	*$25,611.11*	*$530,458.42*
Railway tax accruals	40.00	229,194.22
Uncollectible Railway revenues	.....	784.59
Operating Income	*$25,651.11*	*$760,437.23*
Net joint facility and hire of equipment rents	.....	$46,267.49
Net Railway Operating Income	.....	*$714,169.74*
NON-OPERATING INCOME:		
Income from lease of road	$820,394.17	$136,732.36
Miscellaneous rent income	7,235.85	16,093.98
Separately operated properties—profit	24,643.62	29,288.06
Dividend income	1.44	.....
Income from funded securities	26,668.69	15,589.18
Income from unfunded securities and accounts	3,930.98	21,444.05
Miscellaneous income	165,685.92	*991.08*
Claim under Government Guaranty	.....	851,859.38
Total Non-operating Income	$1,048,560.67	$1,070,015.93
Gross Income	$1,022,909.56	$355,846.19
DEDUCTIONS FROM GROSS INCOME:		
Rent for leased roads	$3,887.60	$3,887.60
Miscellaneous tax accruals	.....	.....
Separately operated properties—Loss	.....	.....
Interest on funded debt	654,497.50	647,072.50
Interest on unfunded debt	12,587.96	.....
Maintenance of investment organization	533.40	.....
Miscellaneous income charges	1,356.44	*1,496.70*
Total Deductions from Gross Income	$672,862.90	$649,463.40
Net Income	$350,046.66	*$293,617.21*
Income applied to Sinking and other reserve funds	.....	.....
Surplus	$350,046.66	*$293,617.21*

Exhibit No. 54.

NEW YORK, SUSQUEHANNA AND WESTERN RAILROAD COMPANY

CORPORATE INCOME ACCOUNT

YEARS ENDED DECEMBER 31, 1919, 1920, 1921, 1922 AND 1923 AND ELEVEN MONTHS ENDED NOVEMBER 30, 1924

(Losses and Deficits shown in italics)

1921	1922	1923	11 months ended Nov. 30, 1924
$2,916,604.57	$2,940,364.25	$3,488,893.08	$3,257,598.84
780,794.30	733,423.08	748,274.10	651,487.44
23,094.05	23,912.74	18,331.89	21,342.87
24,705.85	49,414.23	52,095.24	41,211.76
318,159.66	299,559.43	300,005.10	274,704.55
145,352.51	142,199.77	186,291.17	146,746.31
$4,208,710.94	$4,188,873.50	$4,793,890.58	$4,393,091.77
$664,411.35	$578,135.60	$623,190.03	$683,090.53
655,474.05	808,973.92	957,048.93	921,527.10
43,286.12	41,152.82	44,216.87	40,572.35
2,579,146.75	2,503,708.91	2,626,365.51	2,211,168.70
119,389.39	129,773.90	144,765.32	118,756.41
14.25	120.96	*38.56*	*183.88*
$4,061,793.41	$4,061,866.11	$4,395,548.10	$3,974,931.21
$146,917.53	$127,007.39	$398,342.48	$418,160.56
273,378.59	306,989.82	312,666.35	304,254.00
569.60	497.87	46,938.94	6,284.55
$127,030.66	*$180,480.30*	$38,737.19	$107,622.01
$60,999.58	*$120,948.97*	*$26,164.13*	*$142,199.62*
$66,031.08	*$301,429.27*	$12,573.06	*$34,577.61*
.....	$39,897.15	.....	.....
$16,388.17	27,580.99	$28,791.99	$21,048.53
.....	.....	41,464.25	.....
.....	.....	.....	.....
18,106.20	18,106.20	18,106.08	16,597.35
12,737.32	6,817.01	8,984.61	9,544.70
606.02	19,706.70	1,092.31	789.40
186,222.19	19,353.87	*70,696.10*	*732.43*
$234,059.90	$131,461.92	$27,743.14	$47,247.55
$168,028.82	*$169,967.35*	$40,316.20	$12,669.94
$65,362.48	$23,725.06	$23,798.69	$21,997.95
.....	11,177.45	4,375.01	4,576.66
199,322.67	147,844.40	.....	141,121.94
638,105.84	632,230.83	628,189.17	578,349.57
1.20	36.41	146.21	49.04
.....	332.50	294.00	371.00
106,097.16	1,464.00	1,355.85	1,375.00
$1,008,889.35	$816,810.65	$658,158.93	$747,841.16
$840,860.53	*$986,778.00*	*$617,842.73*	*$735,171.22*
$13,000.00	.....	.....	.....
$827,860.53	*$986,778.00*	*$617,842.73*	*$735,171.22*

Certified Correct:

C. P. CRAWFORD
Comptroller

Exhibit No. 55.

NEW YORK, SUSQUEHANNA AND WESTERN RAILROAD COMPANY

PROFIT AND LOSS ACCOUNT

ELEVEN MONTHS ENDED NOVEMBER 30, 1924

	Debit	Credit
Balance at December 31, 1923—Debit	$494,387.57	.....
Balance transferred from Income	735,171.22	.....
Profit on Road and Equipment sold	.....	$2,150.00
Donations	.....	5,771.55
Miscellaneous Credits	.....	868.72
Surplus appropriated for Investment in physical property	5,771.55	.....
Loss on Retired Road and Equipment	29,596.16	.....
Miscellaneous Debits	11.36	.....
Debit balance November 30, 1924	.....	1,256,147.59
	$1,264,937.86	$1,264,937.86

Certified Correct:

C. P. CRAWFORD
Comptroller.

Exhibit No. 56.

NEW YORK, SUSQUEHANNA AND WESTERN RAILROAD COMPANY

GENERAL BALANCE SHEET AS OF NOVEMBER 30, 1924

(Losses and Deficits shown in italics)

ASSETS

Investments:		
Investment in road and equipment		$38,683,535.12
Improvements on leased railway property		58,096.79
Investments in Affiliated Companies:		
Stocks	$3,658,660.83	
Bonds	30.00	
Advances	363,238.00	4,021,928.83
Other Investments:		
Stocks		1.00
Current Assets:		
Cash	724,823.89	
Special deposits	876.20	
Traffic and car service balances receivable	246,309.21	
Net balance receivable from agents & conductors	14,240.18	
Miscellaneous accounts receivable	45,741.68	
Material and supplies	254,437.84	
Rents receivable	600.00	
Other current assets	5,646.93	1,292,675.93
Deferred Assets:		
Other deferred assets		10,678.08
Unadjusted Debits:		
Rents and insurance premiums paid in advance	2,893.66	
Other unadjusted debits	225,287.94	
Securities issued or assumed—Unpledged:		
Stocks	500.00	
Bonds and other evidences of funded debt	1,630.00	230,311.60
		$44,297,227.35

Exhibit No. 56.

NEW YORK, SUSQUEHANNA AND WESTERN RAILROAD COMPANY

GENERAL BALANCE SHEET AS OF NOVEMBER 30, 1924

(Losses and Deficits shown in italics)

LIABILITIES

Capital Stock:		
Common	$12,816,319.24	
Preferred	12,964,844.00	$25,781,163.24
Stock Liability for Conversion:		
Common	144,511.76	
Preferred	30,996.00	175,507.76
Long Term Debt:		
Equipment obligations	110,000.00	
Mortgage bonds	12,432,500.00	
Receipts outstanding for funded debt	1,098.00	
Miscellaneous obligations	100,000.00	12,643,598.00
Current Liabilities:		
Traffic and car service balances payable	2,893,299.03	
Audited accounts and wages payable	2,023,642.08	
Miscellaneous accounts payable	65,999.37	
Interest matured unpaid	13,875.00	
Funded debt matured unpaid	1,265.00	
Unmatured interest accrued	168,209.16	
Unmatured rents accrued	1,750.00	
Other current liabilities	11,367.85	5,179,407.49
Deferred Liabilities:		
Other deferred liabilites		6,306.76
Unadjusted Credits:		
Tax liability	*15,506.68*	
Operating reserves	31,412.85	
Accrued depreciation	801,021.34	
Other unadjusted credits	152,743.74	969,671.25
Corporate Surplus:		
Additions to property through income & surplus	747,720.44	
Funded debt retired through income & surplus	50,000.00	
Profit and loss balance	*1,256,147.59*	*458,427.15*
		$44,297,227.35

State of New York }
County of New York } ss

C. P. Crawford, being duly sworn, deposes and says that he resides in the Town of Montclair, N. J. and is the Comptroller of the New York, Susquehanna and Western Railroad Company; that he has read the foregoing and knows the contents thereof and that the same is true to the best of his knowledge and belief.

C. P. Crawford

Sworn to before me this 20th day of February, 1925.

James McCarron
[Seal] Notary Public,
Kings Co. No. 62

Certificate filed New York Co., No. 144
Register's Nos. Kings, 6057, N. Y. 6126
Commission expires March 30, 1926

Exhibit No. 57.

THE WILKES-BARRE AND EASTERN RAILROAD COMPANY

CORPORATE INCOME ACCOUNT

YEARS ENDED DECEMBER 31, 1919, 1920, 1921, 1922 AND 1923, AND ELEVEN MONTHS ENDED NOVEMBER 30, 1924

(Losses and Deficits shown in italics)

	1919
OPERATING REVENUES:	
Transportation:	
Freight	.....
Passenger	.....
Express	.....
All other transportation	.....
Incidental	.....
	.....
Total Railway Operating Revenues	.....
OPERATING EXPENSES:	
Maintenance of way and structures	.....
Maintenance of equipment	.....
Traffic	.....
Transportation	.....
General	$15,165.95
Total Railway Operating Expenses	$15,165.95
Net revenue from Railway operation	*$15,165.95*
Railway tax accruals	948.92
Operating Income	*$16,114.87*
Net joint facility and hire of equipment rents—Credit	.....
Net Railway Operating Income	*$16,114.87*
NON-OPERATING INCOME:	
Income from lease of road	$179,547.57
Miscellaneous rent income	11,148.20
Contributions from other companies	.....
Income from unfunded securities and accounts	.....
Miscellaneous income	133.00
Claim under Government Guaranty	.....
Total Non-Operating Income	$190,828.77
Gross Income	$174,713.90
DEDUCTIONS FROM GROSS INCOME:	
Miscellaneous rents	.....
Miscellaneous tax accruals	.....
Interest on funded debt	$150,000.00
Maintenance of investment organization	.....
Income transferred to other companies	24,643.62
Miscellaneous income charges	70.28
Total Deductions from Gross Income	$174,713.90
Net Income	.....

Exhibit No. 57.

THE WILKES-BARRE AND EASTERN RAILROAD COMPANY

CORPORATE INCOME ACCOUNT

YEARS ENDED DECEMBER 31, 1919, 1920, 1921, 1922 AND 1923, AND ELEVEN MONTHS ENDED NOVEMBER 30, 1924

(Losses and Deficits shown in italics)

1920	1921	1922	1923	11 months ended Nov. 30, 1924
.....	.....	.....	.....	.....
$399,110.33	$297,102.71	$300,548.92	$679,746.50	$345,829.33
6,212.40	5,175.24	4,608.60	3,748.98	2,952.64
100.00	126.00	120.00	1,280.12	870.67
194.90	8.30	9.50	7.00	6.90
2,054.79	2,689.38	1,321.42	3,327.47	2,668.40
$407,672.42	$305,101.63	$306,608.44	$688,110.07	$352,327.94
$70,443.11	$66,260.06	$73,998.90	$113,143.54	$110,120.70
101,017.09	113,686.33	105,380.85	128,172.76	105,995.52
6,245.19	8,130.71	3,131.75	3,297.27	5,437.70
230,992.01	244,441.80	239,057.08	301,823.78	160,945.73
14,033.08	11,620.98	8,303.63	10,915.02	14,852.33
$422,730.48	$444,139.88	$429,872.21	$557,352.37	$397,351.98
$15,058.06	*$139,038.25*	*$123,263.77*	$130,757.70	*$45,024.04*
5,916.05	7,067.17	5,847.00	6,393.46	5,166.00
$20,974.11	*$146,105.42*	*$129,110.77*	$124,364.24	*$50,190.04*
$47,894.61	$64,208.97	$11,360.56	$56,113.01	$35,708.48
$26,920.50	*$81,896.45*	*$117,750.21*	$180,477.25	*$14,481.56*
$29,924.58	$.....	$99,610.03	$.....	$.....
9,982.12	10,321.43	11,666.68	11,936.95	11,378.73
.....	199,322.67	147,844.40	.....	141,121.94
.....	.....	.....	.....	.....
2,097.83	3,915.66	122.01	264.88	458.05
110,363.03	18,336.69	10,944.06	.....	.....
$152,367.56	$231,896.45	$270,187.18	$12,201.83	$152,958.72
$179,288.06	$150,000.00	$152,436.97	$192,679.08	$138,477.16
$.....	$.....	$585.63	$374.79	$.....
.....	.....	1,851.34	790.04	950.00
150,000.00	150,000.00	150,000.00	150,000.00	137,500.00
.....	.....	.....	.....	2.16
29,288.06	.....	.....	41,464.25	.....
.....	.....	.....	50.00	25.00
$179,288.06	$150,000.00	$152,436.97	$192,679.08	$138,477.16
.....	.....	.....	.....	.....

Certified Correct:

C. P. CRAWFORD
Comptroller

Exhibit No. 58.

THE WILKES-BARRE AND EASTERN RAILROAD COMPANY

PROFIT AND LOSS ACCOUNT

ELEVEN MONTHS ENDED NOVEMBER 30, 1924

Balance at December 31, 1923	None
Balance at November 30, 1924	None

Certified Correct:

C. P. CRAWFORD
Comptroller.

Exhibit No. 59.

THE WILKES-BARRE AND EASTERN RAILROAD COMPANY

GENERAL BALANCE SHEET AS OF NOVEMBER 30, 1924

ASSETS

INVESTMENTS:	
Investment in road and equipment	$6,000,000.00
CURRENT ASSETS:	
Miscellaneous accounts receivable	76,100.00
	$6,076,100.00

Exhibit No. 59.

THE WILKES-BARRE AND EASTERN RAILROAD COMPANY

GENERAL BALANCE SHEET AS OF NOVEMBER 30, 1924

LIABILITIES

CAPITAL STOCK:	
Common	$3,000,000.00
LONG TERM DEBT:	
Mortgage bonds	3,000,000.00
CURRENT LIABILITIES:	
Interest matured unpaid	76,100.00
	$6,076,100.00

STATE OF NEW YORK } ss
County of New York }

C. P. CRAWFORD, being duly sworn, deposes and says that he resides in the Town of Montclair, N. J. and is the Comptroller of The Wilkes-Barre and Eastern Railroad Company; that he has read the foregoing and knows the contents thereof and that the same is true to the best of his knowledge and belief.

C. P. CRAWFORD

Sworn to before me this 20th day of February, 1925.

JAMES McCARRON

[SEAL] Notary Public
Kings Co. No. 62
Certificate filed New York Co., No. 144
Register's Nos. Kings, 6057, N. Y. 6126
Commission expires March 30, 1926

Exhibit No. 60.

PERE MARQUETTE RAILWAY COMPANY

CORPORATE INCOME ACCOUNT

YEARS ENDED DECEMBER 31, 1919, 1920, 1921, 1922 AND 1923 AND ELEVEN MONTHS ENDED NOVEMBER 30, 1924

(Losses and Deficits shown in italics)

	1919
Operating Revenues	† .....
Operating Expenses	$124,902.95
Net Operating Revenue	*$124,902.95*
Non-Operating Income	* 3,869,675.19
Gross Income	$3,744,772.24
Taxes	$91,417.46
Miscellaneous Income Charges	3,827.60
Uncollectible Railway Revenues	.....
Hire of Equipment—Debit	.....
Rentals	26,049.05
Total Charges excluding Interest	$121,294.11
Balance before Deduction of Interest	$3,623,478.13
Interest on Bonds	$1,687,760.00
Interest on Equipment Notes	.....
Interest on Bills Payable, etc.	38,787.45
Total Interest Accruals	$1,726,547.45
Surplus	$1,896,930.68

Exhibit No. 60.

PERE MARQUETTE RAILWAY COMPANY

CORPORATE INCOME ACCOUNT

YEARS ENDED DECEMBER 31, 1919, 1920, 1921, 1922 AND 1923 AND ELEVEN MONTHS ENDED NOVEMBER 30, 1924

(Losses and Deficits shown in italics)

1920	1921	1922	1923	Eleven Months ended Nov. 30, 1924
$35,022,787.09	$38,303,029.43	$38,397,933.27	$45,965,736.78	$38,450,565.39
30,350,542.14	30,036,300.21	28,911,264.66	34,871,096.75	28,387,778.24
$4,672,244.95	$8,266,729.22	$9,486,668.61	$11,094,640.03	$10,062,787.15
* 1,761,120.49	690,653.53	623,395.58	806,242.69	868,875.72
$6,433,365.44	$8,957,382.75	$10,110,064.19	$11,900,882.72	$10,931,662.87
$768,407.38	$1,408,480.66	$1,791,795.40	$1,849,446.55	$1,902,945.73
3,711.35	3,826.90	3,298.15	1,714.05	1,635.90
1,397.92	4,695.86	12,796.20	13,603.70	5,651.70
1,297,173.65	550,381.72	1,010,407.08	1,625,249.20	875,195.07
730,410.11	839,771.28	797,458.51	967,305.86	1,063,398.33
$2,801,100.41	$2,807,156.42	$3,615,755.34	$4,457,319.36	$3,848,826.73
$3,632,265.03	$6,150,226.33	$6,494,308.85	$7,443,563.36	$7,082,836.14
$1,687,760.00	$1,687,754.22	$1,612,851.74	$1,664,973.89	$2,014,796.67
505,058.37	639,030.13	526,309.56	485,881.25	408,286.17
45,473.96	57,562.02	4,587.17	89,898.14	27,753.72
$2,238,292.33	$2,384,346.37	$2,143,748.47	$2,240,753.28	$2,450,836.56
$1,393,972.70	$3,765,879.96	$4,350,560.38	$5,202,810.08	$4,631,999.58

† No operating Revenues—Standard Return received from United States Railroad Administration included under Non-Operating Income.

* Includes Standard Return received from United States Railroad Administration for the period, January 1, 1919 to February 29, 1920, inclusive.

Certified Correct:

C. S. SIKES

Vice President and General Auditor.

Exhibit No. 61.

PERE MARQUETTE RAILWAY COMPANY

PROFIT AND LOSS ACCOUNT

ELEVEN MONTHS ENDED NOVEMBER 30, 1924

	Debit	Credit
Profit and Loss—Credit Balance December 31, 1923....	.....	$13,930,799.69
Income Account—Credit—Jan. 1, 1924 to Nov. 30, 1924.	.....	4,631,999.58
Dividends on Capital Stock, Jan. 1, 1924 to Nov. 30, 1924		
Prior Preference Stock.....	$560,000.00	.....
Preferred Stock	621,450.00	
Common Stock	1,351,380.00	.....
Miscellaneous Profit and Loss items, Jan. 1, 1924 to November 30, 1924, carried in Suspense.....	322,357.35	.....
Corporate Surplus as of November 30, 1924.....	15,707,611.92	.....
	$18,562,799.27	$18,562,799.27

Certified Correct:

C. S. SIKES

Vice President and General Auditor.

Exhibit No. 62.

PERE MARQUETTE RAILWAY COMPANY

GENERAL BALANCE SHEET AS OF NOVEMBER 30, 1924

(Losses and Deficits shown in italics)

ASSETS

INVESTMENTS		$142,658,935.59
Road and Equipment	$133,329,852.04	
Improvements on Leased Railway Property	706,287.73	
Deposits in Lieu of Mortgaged Property Sold	30,598.31	
Miscellaneous Physical Property	14,940.64	
Investments in Affiliated Companies	8,077,116.87	
Other investments	500,140.00	
CURRENT ASSETS		10,094,546.16
Cash	$4,652,635.99	
Special Deposits	1,560.00	
Loans and Bills Receivable	22,961.20	
Net Balances Receivable from Agents and Conductors	265,078.69	
Miscellaneous Accounts Receivable	1,015,350.75	
Material and Supplies	3,899,143.83	
Store Stock	$1,762,090.39	
Roadway Material	1,552,213.58	
Fuel	584,839.86	
Interest and Dividends Receivable	45,548.33	
Other Current Assets	192,267.37	
DEFERRED ASSETS		107,431.85
UNADJUSTED DEBITS		1,056,870.35
Rents and Insurance Paid in Advance	$10,443.44	
Other Unadjusted Debits	1,046,426.91	
SECURITIES ISSUED OR ASSUMED—UNPLEDGED:		
P. M. Ry. Co. 5% Gold Bonds, Series "A"	$6,390,000.00	
		$153,917,783.95

Exhibit No. 62.

PERE MARQUETTE RAILWAY COMPANY

GENERAL BALANCE SHEET AS OF NOVEMBER 30, 1924

(Losses and Deficits shown in italics)

LIABILITIES

CAPITAL STOCK		$68,675,000.00
Common	$45,046,000.00	
Prior Preference 5% Stock—Cumulative	11,200,000.00	
Preferred Stock 5%—Cumulative after January 1, 1919	12,429,000.00	
LONG TERM DEBT		42,955,000.00
Funded Debt Unmatured First Mortgage Bonds	$49,345,000.00	
Less Held in Treasury	6,390,000.00	
Unpledged	$6,390,000.00	
COLLATERAL TRUST BONDS OF PERE MARQUETTE RAILROAD COMPANY		3,000,000.00
Issued	$3,000,000.00	
Less Held in Treasury	.....	
EQUIPMENT OBLIGATIONS		7,392,000.00
MISCELLANEOUS OBLIGATIONS		47,000.00
CURRENT LIABILITIES		5,497,326.58
Loans and Bills Payable	.....	
Traffic and Car Service Balances Payable	$1,213,958.37	
Audited Accounts and Wages Unpaid	2,371,107.60	
Miscellaneous Accounts Payable	495,722.71	
Interest Matured and Unpaid	30,850.00	
Dividends Matured and Unpaid	.....	
Unmatured Dividends Accrued	46,666.67	
Unmatured Interest Accrued	1,070,886.67	
Unmatured Rents Accrued	111,492.12	
Other Current Liabilities	156,642.44	
DEFERRED LIABILITIES		238,698.90
UNADJUSTED CREDITS		10,405,146.55
Tax Liability	$1,854,687.05	
Operating Reserves	20,098.53	
Accrued Depreciation—Equipment	7,236,413.69	
Other Unadjusted Credits	1,293,947.28	
CORPORATE SURPLUS		15,707,611.92
Profit and Loss—Balance, December 31, 1923	$13,930,799.69	
Income Account, January 1, 1924 to November 30, 1924	4,631,999.58	
Profit and Loss—Suspense	*322,357.35*	
Dividends on Prior Preference Stock	*560,000.00*	
Dividends on Preferred Stock	*621,450.00*	
Dividends on Common Stock	*1,351,380.00*	
		$153,917,783.95

STATE OF NEW YORK } ss.
County of New York }

C. S. SIKES, being duly sworn, says that he is Vice-President and General Auditor of Pere Marquette Railway Company and that the foregoing General Balance Sheet is true and correct to the best of his knowledge and belief.

C. S. SIKES

Sworn to before me this 20th day of February, 1925.

JAMES McCARRON
[SEAL] Notary Public,
Kings Co., No. 62
Certificate filed New York Co., No. 144
Register's Nos. Kings, 6057, N. Y. 6126
Commission expires March 30, 1926

Exhibit No. 63.

THE NEW YORK, CHICAGO AND ST. LOUIS RAILWAY COMPANY

GENERAL BALANCE SHEET AS OF JANUARY 31, 1925

ASSETS

701. Investment in road and equipment		$102.50
General expenditures		
71 Organization expenses	$102.50	
708. Cash		$10,000.00
715. Miscellaneous accounts receivable		$90,000.00
Total		$100,102.50

LIABILITIES

751. Capital stock		$100,000.00
Stock to be issued		
Common	$50,000.00	
Preferred	50,000.00	
761. Miscellaneous accounts payable		102.50
Total		$100,102.50

STATE OF NEW YORK }
County of New York } ss.

W. A. COLSTON, being duly sworn, says that he is an incorporator of The New York, Chicago and St. Louis Railway Company and that the foregoing General Balance Sheet is true and correct to the best of his knowledge and belief.

W. A. COLSTON

Sworn to before me this 20th day of February, 1925.

JAMES MCCARRON
[SEAL] Notary Public, Kings Co. No. 62
Certificate filed New York Co., No. 144
Register's Nos. Kings, 6057, N. Y. 6126
Commission expires March 30, 1926

Exhibit No. 64.

PROPOSAL

To the Stockholders

of The New York, Chicago and St. Louis Railroad Company,

of The Chesapeake and Ohio Railway Company,

of The Hocking Valley Railway Company,

of Erie Railroad Company,

of Pere Marquette Railway Company,

and to the Holders of Securities convertible into Shares of any of such Companies:

We believe that unified control and operation of your railroads will be beneficial to the several properties and to the public that they serve.

We therefore propose the following Plan:

1. ORGANIZATION AND PURPOSES OF NEW COMPANY:

We will organize a railroad corporation, hereinafter called the New Company, with an initially authorized capital stock divided into shares of the following classes:

6% Cumulative Preferred Stock, Series A, of the par value of $100 each, preferred both as to assets and dividends, without voting power except as now or hereafter required by law or provided in its charter, and

Common stock with voting power.

We purpose that the New Company shall acquire control of the railroads and properties of your companies, severally, by lease, directly or indirectly, for 999 years, subject to their funded and other debt and liabilities, and/or by acquisition of at least a majority of all their outstanding capital stock, or otherwise, according to the plan shown in detail in Statement A annexed.

2. WHAT DEPOSITING STOCKHOLDERS WILL RECEIVE:

The New Company, upon acquiring their shares, will issue to stockholders its shares upon the following bases:

To the Stockholders of The Chesapeake and Ohio Railway Company:

			New Company Preferred	Common
For	100 shs.	First Preferred Stock	115 shs.	..
"	100 "	Second " "	115 "	..
"	100 "	6½% Cumulative Pfd. Stock	115 "	..
"	100 "	Common Stock	55 "	55 shs.

To the Stockholders of The Hocking Valley Railway Company:

For 100 shares of its stock, 50 shares each of Preferred Stock and Common Stock of the New Company.

To the Stockholders of Erie Railroad Company:

			New Company Preferred	Common
For	100 shs.	First Preferred Stock	50 shs.	..
"	100 "	Second " "	50 "	..
"	100 "	Common Stock	..	40 shs.

To the Stockholders of Pere Marquette Railway Company:

			New Company Preferred	Common
For	100 shs.	Prior Preference Stock	100 shs.	..
"	100 "	Preferred Stock	90 "	..
"	100 "	Common Stock	..	85 shs.

It is planned that no shares of the New Company will be issued for stock of The Hocking Valley Railway Company owned by The Chesapeake and Ohio Railway Company.

Holders of bonds of The Chesapeake and Ohio Railway Company and of Erie Railroad Company, convertible into shares of such companies, respectively, may, during the period of their conversion right, exchange their bonds for the same number and kind of shares of the New Company to which they would be entitled in accordance with the foregoing bases of exchange if they had first converted their bonds into shares of such present companies.

Stockholders of The New York, Chicago and St. Louis Railroad Company will not receive New Company shares but The New York, Chicago and St. Louis Railroad Company will receive preferred and common shares of the New Company equal to the number of preferred and common shares respectively of The New York, Chicago and St. Louis Railroad Company outstanding, in addition to shares to be received by it at the above rates for stock of The Chesapeake and Ohio Railway Company and Pere Marquette Railway Company owned by it. Outstanding stock includes stock to be issued to and retained by stockholders of constituent companies upon exchanges under the Agreement and Articles of Consolidation of The New York, Chicago and St. Louis Railroad Company, dated December 28, 1922, but does not include stock of that company held in its treasury.

3. APPROVAL OF PUBLIC AUTHORITIES; LEGALITIES:

This Plan is subject to the necessary approval of the Interstate Commerce Commission and to compliance with such requirements as our counsel may advise. All legal matters are being passed upon by W. A. Colston, Esq. and John H. Agate, Esq. of Cleveland, Ohio, and Messrs. White and Case of New York City, who have participated in the preparation of this Plan.

4. CONSOLIDATED BALANCE SHEET; EARNINGS:

There are attached hereto as Statements B, C, and D, a consolidated balance sheet as of June 30, 1924, which has been compiled by Messrs. Ernst and Ernst, Public Accountants, of Cleveland, Ohio, from the official balance sheets of the five proposed lessor companies with the adjustments incident to the Plan, and operating statements for the year 1923 and for the first six months of 1924, compiled by Messrs. Ernst and Ernst from the official income accounts of the five proposed lessor companies with corresponding adjustments incident to the Plan.

5. MILEAGE AND TERRITORY SERVED:

When the entire Plan becomes effective, the New Company will operate directly or through subsidiaries, approximately 9,145 miles of road, including leased and controlled lines. Its main lines will extend from the Ports of New York and Newport News to connections with the principal western, northwestern and southwestern roads at the gateways, Chicago, Peoria and St. Louis; also to the gateways of Louisville, Cincinnati and Indianapolis. Its lines will reach such important cities as Rochester, Buffalo, Erie, Cleveland, Sandusky, Toledo, Columbus, and Ft. Wayne, and serve industrial Michigan through the Toledo and Detroit gateways. It will serve the great Mahoning Valley steel district, particularly the mills and plants at Sharon and Youngstown; also the rubber industry at Akron and vicinity. It will serve the extensive bituminous and anthracite coal fields of northern Pennsylvania and the bituminous fields of Ohio, West Virginia and Kentucky and afford outlets from them to tide-water, to the Great Lakes and to the north and west. It will afford to the industrial territory of the Great Lakes continuous transportation over originating rails to and from the points named.

6. DIVIDENDS:

The Preferred stock of the New Company will be entitled to dividends at the rate of 6% per annum, cumulative. It is expected to initiate dividends on its common stock at the rate of $6 per share per annum.

7. COMMITTEE:

Messrs. J. J. Bernet, President of The New York, Chicago and St. Louis Railroad Company, W. J. Harahan, President of The Chesapeake and Ohio Railway Company and of The Hocking Valley Railway Company, W. L. Ross, President of Detroit and Toledo Shore Line Railroad Company, F. D. Underwood, President of Erie Railroad Company, and E. N. Brown, Chairman of the Board of Pere Marquette Railway Company, and Messrs. O. P. Van Sweringen and M. J. Van Sweringen will act as a Committee to carry out this Plan, under the annexed deposit agreement.

8. DEPOSIT OF STOCK:

Messrs. J. P. Morgan & Co.,
23 Wall Street,
New York City,

Continental and Commercial Trust and Savings Bank,
208 South La Salle Street,
Chicago, Illinois,

The Union Trust Company,
East 9th Street and Euclid Avenue,
Cleveland, Ohio,

Old Colony Trust Company,
17 Court Street,
Boston, Massachusetts,

will receive deposits of stock at their respective offices and issue therefor transferable certificates of deposit. All stock certificates presented for deposit must be endorsed in blank or accompanied by proper instruments of assignment in blank for transfer, and properly witnessed.

Application will be made to list the certificates of deposit on the New York Stock Exchange.

Registrars of the certificates of deposit in the respective cities will be:

New York: **The First National Bank of the City of New York.**
Cleveland: **The Guardian Savings and Trust Company.**
Chicago: **First Trust and Savings Bank.**
Boston: **The National Shawmut Bank of Boston.**

For the convenience of European holders, Messrs. Morgan, Grenfell & Co., 22 Old Broad Street, E. C., London, England, will receive deposits of share certificates for transmission to New York in exchange for which relative certificates of deposit will be mailed direct from New York to the depositor.

All dividends collected on deposited stock will be paid to the holders of certificates of deposit representing such stock.

Deposits of stock will be without expense to depositors.

To effect prompt consummation of the Plan, each stockholder should sign and mail one of the enclosed proxies and deposit his stock at once.

Cleveland, Ohio, August 20, 1924.

O. P. and M. J. VAN SWERINGEN.

STATEMENT A

Giving details of the plan for issue, exchange and disposition of Capital stock of the New Company and certain provisions of the several leases proposed.

STOCK OF THE NEW YORK, CHICAGO AND ST. LOUIS RAILROAD COMPANY, WHICH IS NOT TO BE ACQUIRED BY THE NEW COMPANY	Preferred	Common	Stock to be issued by New Company† — Ratios: Preferred	Ratios: Common	Amounts: Preferred	Amounts: Common
THE NEW YORK, CHICAGO AND ST. LOUIS RAILROAD COMPANY*						
Preferred stock outstanding	$25,865,666		1.00		$25,865,666 (a)	
Preferred stock in Treasury	6,854,334 (b)		....	....	.....	.....
Common stock outstanding		$30,406,464	....	1.00	.....	$30,406,464 (a)
Common stock in Treasury		15,841,436 (b)	....	....	.....	.....
STOCK OF LESSOR COMPANIES WHICH IS TO BE ACQUIRED BY NEW COMPANY IN EXCHANGE FOR ITS CAPITAL STOCK						
THE CHESAPEAKE AND OHIO RAILWAY COMPANY:						
First Preferred stock	3,000					
Second Preferred stock	200					
6½% Cumulative Preferred stock	12,558,500					
	12,561,700		1.15		14,445,955 (c)	
Common stock outstanding		65,414,725				
Common stock in Treasury		11,000				
		65,425,725	.55	.55	35,984,148.75 (c)	35,984,148.75 (c)
THE HOCKING VALLEY RAILWAY COMPANY:						
Common stock owned by Chesapeake and Ohio		8,837,900 (d)	....	....	.....	.....
Common stock outstanding owned by others		2,161,600				
Common stock in Treasury		500				
		2,162,100	.50	.50	1,081,050 (d)	1,081,050 (d)
ERIE RAILROAD COMPANY:						
First Preferred stock	47,904,400					
Second Preferred stock	16,000,000					
	63,904,400		.50		31,952,200 (e)	
Common stock		112,481,900		.40		44,992,760 (e)
PERE MARQUETTE RAILWAY COMPANY:						
Prior Preference stock	11,200,000		1.00		11,200,000 (f)	
Preferred stock	12,479,000		.90		11,186,100 (f)	
Common stock		45,046,000		.85		38,289,100 (f)
TOTAL STOCK TO BE ISSUED UNDER LEASES OR IN EXCHANGE FOR STOCK OF LESSOR COMPANIES					$131,715,119.75	$150,753,522.75
STOCK TO BE ISSUED FOR CASH OR RESERVED FOR CONVERTIBLE BONDS						
To be issued for cash upon organization					$ 50,000.00	$ 50,000.00
To be reserved for The Chesapeake and Ohio Railway Company Convertible Gold 5's convertible into C. & O. common stock at 90 to April 1, 1926 and at par thereafter to April 1, 1936 (par value outstanding, $38,073,500)			.55	.55	23,267,138.89	23,267,138.89
			.90	.90		
To be reserved for Erie Railroad Company Convertible 50-Year Gold 4's Series D convertible into Erie common stock at 50 to October 1, 1927 (par value outstanding, $19,628,000)				.40		15,702,400.00
				.50		
TOTAL STOCK OF NEW COMPANY TO BE ISSUED OR RESERVED FOR THE PURPOSES OF THE PLAN					$155,032,258.64	$189,773,061.64

STATEMENT A (*continued*)

† The preferred stock of the New Company shall be of the par value of $100 per share. Its common stock shall be of the par value of $100 per share or without par value; if it be without par value, the same number of shares thereof shall be issued, exchanged, disposed of and reserved pursuant to the Plan as though such shares had a par value of $100 each.

* The amounts of stock shown for The New York, Chicago and St. Louis Railroad Company include the following amounts carried as Stock Liability for Conversion which will be actually outstanding or in treasury when exchanges are completed under the Agreement and Articles of Consolidation dated December 28, 1922:

Preferred		Common	
Outstanding	In Treasury	Outstanding	In Treasury
$103,565	$12,635	$133,870	$72,030

(*a*) Stockholders of The New York, Chicago and St. Louis Railroad Company will not receive New Company shares but The New York, Chicago and St. Louis Railroad Company will receive under its lease to the New Company shares of the preferred and common stock of the New Company equal in number to the shares of the preferred and common stock respectively of The New York, Chicago and St. Louis Railroad Company actually outstanding, including the amount which will be actually outstanding on account of Stock Liability for Conversion when exchanges are completed under the Agreement and Articles of Consolidation dated December 28, 1922.

(*b*) No stock of the New Company is to be issued in respect of the Treasury Stock of The New York, Chicago and St. Louis Railroad Company. This Treasury Stock, including not only the amounts now in the treasury but the additional amounts to be in treasury on account of Stock Liability for Conversion when exchanges are completed under the Agreement and Articles of Consolidation dated December 28, 1922, will be retained by The New York, Chicago and St. Louis Railroad Company.

(*c*) Stock of the New Company will be issued, at the ratios indicated, to the stockholders of The Chesapeake and Ohio Railway Company upon acquirement of their shares by the New Company. The New York, Chicago and St. Louis Railroad Company will exchange its holdings of stock of The Chesapeake and Ohio Railway Company, consisting of 155,000 shares of common stock, for the stock of the New Company upon the same basis as that provided for other stockholders and will retain the stock of the New Company issued in exchange therefor. The stock of the New Company, $6,050 par value of common and $6,050 par value of preferred, exchanged for the common stock of The Chesapeake and Ohio Railway Company held in its treasury and amounting to $11,000 par value, will be acquired by the New Company under the lease and will be held by it as fully paid treasury stock.

(*d*) Unless required by the terms of existing mortgages, or otherwise required, no stock of the New Company will be issued in respect of the stock of The Hocking Valley Railway Company owned by The Chesapeake and Ohio Railway Company but this stock will be acquired by the New Company under the lease, subject to existing liens. The stock of the New Company, $250 par value of common and $250 par value of preferred, exchanged for the $500 par value of common treasury stock of The Hocking Valley Railway Company, will be acquired by the New Company under the lease and held by it as fully paid treasury stock.

(*e*) Stock of the New Company will be issued, at the ratios indicated, to the stockholders of Erie Railroad Company upon acquirement of their shares by the New Company.

(*f*) Stock of the New Company will be issued, at the ratios indicated, to the stockholders of Pere Marquette Railway Company upon acquirement of their shares by the New Company. The New York, Chicago and St. Louis Railroad Company will exchange its holdings of stock of Pere Marquette Railway Company, 120,000 shares of common stock, for the stock of the New Company upon the same basis as that provided for other stockholders and will retain the stock of the New Company issued in exchange therefor.

PROVISIONS OF THE SEVERAL LEASES.

Each lease shall be agreed upon by the companies, parties thereto. Among other appropriate provisions and considerations, each lease shall provide in substance that the New Company shall:

(*a*) Pay: (1) all taxes upon the leased properties or the earnings and income therefrom; (2) all interest charges; (3) all expense and liability from operation and maintenance of the leased properties; (4) all expenses of maintaining the lessor's corporate structure and such additional considerations, if any, as shall be provided for in the lease.

(*b*) Pay for account of the lessor, or provide for by refunding or otherwise, all obligations and liabilities of the lessor, the New Company retaining the right to cause the lessor to execute mortgages or pledges and to create and issue bonds of, or otherwise to obligate, the lessor as the New Company shall deem expedient for such purpose and for financing capital expenditures to or upon the leased properties.

(*c*) Maintain the leased properties during the lease, and at its termination, return the leased railroads; also return all other assets, including equipment, to a net value equivalent to that received by the New Company at the inception of the lease, or, as to any of such property which cannot be returned in kind, pay such value in cash, allowance being made for payments by the New Company of obligations or liabilities of the lessor and for capital expenditures to or upon the leased properties.

(*d*) Operate and develop, or cause to be operated and developed, to its best ability, the leased properties.

The New Company will receive the entire gross income from all leased properties subject to the provisions of the leases.

Each lease shall provide for the consolidation, merger, conveyance or unification in other manner of the properties of the lessor and lessee companies into one corporation for the ownership, management and operation of such properties, when authorized by the Interstate Commerce Commission or other proper governmental agency, whereupon the lease may be terminated. In the case of The New York, Chicago and St. Louis Railroad Company, the lease shall provide in substance that, if for any reason whatsoever the lease should be terminated, then the lessor on request of the lessee, or its successor, either shall forthwith, for a nominal consideration, convey the fee of its leased properties to the lessee, subject to the approval of the conveyance at such time by the Interstate Commerce Commission or other proper governmental agency, or shall, at the option of the lessor, return the stock of the New Company given in consideration of the lease, or the equivalent, at the time of the termination of the lease, of said stock, as provided in the lease. If for any reason whatsoever such conveyance should not be made at the time of the termination of the lease, the lessor shall in any event return said stock, or its said equivalent; but nothing herein shall be construed to limit or prevent the free use or disposition of said stock by the lessor.

Each lease, except that from The New York, Chicago and St. Louis Railroad Company, will obligate the New Company to issue its stock, in exchange for stock of the Lessor Company, upon the bases set forth in the foregoing Proposal, against surrender of such stock at any time within one year from the date of delivery of the lease.

If the lease of any of the railroads shall be made indirectly by lease to any company other than the New Company, the New Company shall concurrently with the delivery of such lease assume and guarantee all obligations of the lessee thereunder.

STATEMENT B

CONDENSED BALANCE SHEET AS OF JUNE 30, 1924

of New Company, after giving effect to the proposed acquisition by lease of the properties of the five Lessor Companies, subject to their liabilities:

ASSETS

Investment in Road and Equipment	$1,081,593,223.76
Sinking Funds	18,364,471.14
Deposits in lieu of Mortgaged Property Sold	1,558,586.82
Miscellaneous Physical Property	1,499,791.70
Investment in Affiliated Companies	168,810,430.80
Other Investments	7,841,289.86
Current Assets	107,630,083.13
Deferred Assets	929,468.58
Unadjusted Debits	18,523,847.00
Treasury Stock	12,600.00
	$1,406,763,792.79

LIABILITIES

Capital Stock to be Issued:		
Preferred		$131,715,119.75
Common		150,753,522.75
		$282,468,642.50
Equipment Debt		84,198,175.85
Funded Debt	$747,934,430.50	
Less: Held in Treasury or Pledged	161,345,900.00	586,588,530.50
Current Liabilities		80,746,606.63
Deferred Liabilities		2,082,449.23
Unadjusted Credits:		
Accrued Depreciation—Equipment	$60,086,709.01	
Other	20,434,389.92	80,521,098.93
Sinking Fund Reserves		16,374,657.33
Appropriated Surplus		42,780,240.94
Corporate Surplus		231,003,390.88
		$1,406,763,792.79

(NOTE) Capital Stock of The Hocking Valley Railway Company of a par value of $8,837,900.00 owned by The Chesapeake and Ohio Railway Company and carried on its books at $10,520,179.89 has been eliminated in the preparation of this Balance Sheet. Capital Stock of The Chesapeake and Ohio Railway Company of a par value of $15,500,000.00 owned by The New York, Chicago and St. Louis Railroad Company and carried on its books at $12,072,028.26 has been eliminated from the Consolidated Assets but effect of new Capital Stock being issued in exchange therefor has been given in the same proportion as other shares of The Chesapeake and Ohio Railway Company, similar effect being given in respect of the $12,000,000.00 par value of Common Stock of the Pere Marquette Railway Company, reported as purchased for $5,830,620.59, by The New York, Chicago and St. Louis Railroad Company, and not entered on its records at June 30, 1924.

The above statement is based upon the issue of common stock of par value of $100 per share. If common stock without par value be issued, the sum of the amounts shown for common stock and surplus will represent the equity for the common stock.

STATEMENT C

COMBINED INCOME ACCOUNT

of the five Lessor Companies

For the six months' period ended June 30, 1924

Railway Operating Revenues:		
Freight	$138,498,335.42	
Passenger	15,799,116.48	
Other	10,678,378.46	
TOTAL RAILWAY OPERATING REVENUES		$164,975,830.36
Total Railway Operating Expenses		129,916,625.97
NET REVENUE FROM RAILWAY OPERATIONS		$35,059,204.39
Taxes, Equipment and Joint Facility Rents:		
Railway Tax Accruals	$7,493,418.10	
Uncollectible Railway Revenues	75,929.58	
Equipment and Joint Facility Rents (Net)	1,075,280.04	
TOTAL TAXES, EQUIPMENT AND JOINT FACILITY RENTS		8,644,627.72
NET RAILWAY OPERATING INCOME		$26,414,576.67
Non-operating Income		7,142,955.66
GROSS INCOME		$33,557,532.33
Deductions from Gross Income:		
Rents for Leased Roads	$1,621,307.53	
Other (except Interest on Funded Debt)	1,445,381.20	
TOTAL DEDUCTIONS FROM GROSS INCOME		3,066,688.73
BALANCE FOR INTEREST ON FUNDED DEBT		$30,490,843.60
Interest on Funded Debt		14,878,635.23
NET INCOME		$15,612,208.37
Ratio of Net Earnings to Preferred Stock Dividend requirement		3.95 times
Available for Common Shares after providing for Preferred Dividends at 6% per annum		$15.47 per share

(NOTE) The six months' period has been used as an annual basis in computing the earnings as applied to shares of stock.

The following dividends from Inter-Company securities have been eliminated from the above Combined Income Account:

Hocking Valley Dividends received by C. & O.	$176,758.00
C. & O. Dividend received by N. Y. C. & St. L.	285,200.00

STATEMENT D

COMBINED INCOME ACCOUNT

of the five Lessor Companies

For the year ended December 31, 1923

Railway Operating Revenues:		
Freight	$298,277,845.14	
Passenger	35,175,257.26	
Other	22,507,668.42	
TOTAL RAILWAY OPERATING REVENUES		$355,960,770.82
Total Railway Operating Expenses		279,796,369.23
NET REVENUE FROM RAILWAY OPERATIONS		$76,164,401.59
Taxes, Equipment and Joint Facility Rents:		
Railway Tax Accruals	$14,723,100.67	
Uncollectible Railway Revenues	160,743.17	
Equipment Rents (Net)	2,891,375.74	
Joint Facility Rents (Net)	2,194,119.47	
TOTAL TAXES, EQUIPMENT AND JOINT FACILITY RENTS		19,969,339.05
NET RAILWAY OPERATING INCOME		$56,195,062.54
Non-operating Income		8,638,600.50
GROSS INCOME		$64,833,663.04
Deductions from Gross Income:		
Rents for Leased Roads	$3,055,073.14	
Other (except Interest on Funded Debt)	2,695,334.18	
TOTAL DEDUCTIONS FROM GROSS INCOME		5,750,407.32
BALANCE FOR INTEREST ON FUNDED DEBT		$59,083,255.72
Interest on Funded Debt		29,919,636.73
Net Income		$29,163,618.99
Ratio of Net Earnings to Preferred Stock Dividend requirement		3.69 times
Available for Common Shares after providing for Preferred Dividends at 6% per annum		$14.10 per share

The following dividends from Inter-Company securities have been eliminated from the above Combined Income Account:

Hocking Valley Dividends received by C. & O.	$353,276.00
C. & O. Dividends received by N. Y. C. & St. L.	354,800.00

DEPOSIT AGREEMENT

This Agreement, made this 20th day of August, 1924, by and between J. J. Bernet, W. J. Harahan, W. L. Ross, F. D. Underwood, E. N. Brown, O. P. Van Sweringen and M. J. Van Sweringen (and such other associates as may join with them as hereinafter provided) who and whose successors are hereinafter called "the Committee"; J. P. MORGAN & Co., of New York City, hereinafter called "the Depositary"; and such stockholders of THE NEW YORK, CHICAGO AND ST. LOUIS RAILROAD COMPANY, THE CHESAPEAKE AND OHIO RAILWAY COMPANY, THE HOCKING VALLEY RAILWAY COMPANY, ERIE RAILROAD COMPANY and PERE MARQUETTE RAILWAY COMPANY (which companies are hereinafter called "the Lessor Companies") as shall become parties hereto in the manner hereinafter provided, who, with their successors in interest, are hereinafter called "the Depositors",

WITNESSETH:

WHEREAS, it is believed that advantage will result to the holders of the capital stocks of the Lessor Companies through concerted action for the unified control and operation of their respective properties and the Committee and the Depositary have consented to act for and on behalf of such of said holders as shall become parties hereto,

NOW, THEREFORE, the parties hereto for and in consideration of the promises and conditions hereinafter contained and other good and valuable consideration and for the purpose of consummating, in whole or in part, the plan for the acquisition of control of the Lessor Companies or of any one or more of such companies, by lease or by acquisition of stock or otherwise, by a new railroad corporation organized or to be organized (which plan,

hereinafter called "the plan", is set forth in the proposal made by O. P. and M. J. Van Sweringen under date of August 20, 1924, a copy of which is hereto annexed and is hereby made a part hereof), severally have mutually agreed, and do hereby severally agree, and each Depositor has agreed and does hereby agree, each for himself and not one for any of the others, with the other Depositors and with the Committee and its successors, and with the Depositary and its successors, as follows.

1. The Depositors hereby make, constitute and appoint J. J. Bernet, W. J. Harahan, W. L. Ross, F. D. Underwood, E. N. Brown, O. P. Van Sweringen and M. J. Van Sweringen and their respective successors or associates appointed as hereinafter provided, the Committee under this Agreement with each, every and all of the powers, rights and privileges hereby conferred upon, vested in and given to the Committee.

2. Messrs. J. P. Morgan & Co., of New York City are hereby appointed the Depositary under this Agreement. The Union Trust Company of Cleveland, Ohio, Continental and Commercial Trust and Savings Bank, of Chicago, Illinois, and Old Colony Trust Company, of Boston, Massachusetts, are hereby appointed Sub-Depositaries.

3. Any holder of stock of any class of any Lessor Company may become a party hereto by depositing such stock hereunder with the Depositary or any sub-depositary hereunder within such period or periods as the Committee may prescribe or permit; or by executing and delivering a proxy to the Committee for the purposes of carrying out the transactions or some one or more of them contemplated by the plan. All stock deposited must be endorsed in blank or accompanied by proper instruments of assignment in blank for transfer, and properly witnessed. Every such holder who shall so deposit his stock or give his proxy to the Committee shall be held to have assented to this Agreement

and shall be as fully bound by the terms and provisions hereof as if he had subscribed the same. Nothing herein shall be construed to give any rights of any kind to any stockholder of any Lessor Company who shall not become a party hereto as in this Agreement provided. The Committee may fix and from time to time extend the time within which, and fix the conditions under which, stock may be deposited hereunder, and in its discretion, waive the same, and either generally or in special instances may, in its discretion, accept deposits after the time limit so fixed or extended shall have expired, and in such cases may impose special terms as a condition of allowing such deposits. If authorized by the Committee, the Depositary may receive, to be held subject to the terms hereof, or of such other agreement as may be made by the Committee, other securities of any Lessor Company, and the Committee from time to time may enter into agreements supplemental hereto or otherwise with reference to the deposit of such other securities, not inconsistent with the purposes or provisions of this Agreement.

4. Each Depositor agrees that all stock deposited by him with the Depositary or any sub-depositary hereunder shall be held and disposed of by the Committee under and subject to the terms and conditions of this Agreement, including the following:

Title to stock deposited hereunder shall not pass to the Committee or its nominee and the endorsement or assignment or transfer of such stock shall not become effective for such purpose unless and until the Committee shall cause to be filed with the Depositary a certified copy of a resolution adopted by the Committee determining to accept the transfer to it or its nominee of the deposited stock described or referred to in such resolution, and until the Committee shall have caused, on behalf of the Depositors, owners thereof, the necessary transfer tax stamps to be affixed to the transfers or assignments of the deposited stock described or referred to in such

resolution, and cancelled. Until the filing of a certified copy of such resolution and the affixing and cancellation of such stamps, such deposited stock shall be irrevocably held in escrow by the Depositary and shall not be delivered to or be subject to the order of the Committee, and the endorsement or assignment or transfer of such stock shall not be or become effective for such purposes. But immediately upon the filing, as aforesaid, of a certified copy of such resolution and the affixing and cancellation of such stamps, the title to each and every share of such deposited stock, described or referred to in such resolution, shall pass to and vest in the Committee or its nominee. The Committee may at any time or times cause the title to any or all of such deposited stock to pass to and vest in the Committee or its nominee as hereinbefore provided; and the Committee or its nominee shall thereupon be vested with the legal and equitable title to such stock to the same extent as if it were the absolute owner thereof and the Depositors hereby consent to the assignment and transfer thereof to the Committee, its successors and assigns, or its nominee.

Each Depositor agrees nevertheless to execute and deliver to the Committee at any time, upon its request, any and all instruments of transfer, assignments, powers of attorney and other instruments, necessary or desirable in the opinion of the Committee to vest or confirm in it or its nominee the title to said stock and to enable it fully to carry out this Agreement. All deposited stock, title to which the Committee shall have caused to be vested in it or its nominee, shall be held by the Depositary and delivered for the account, under the control and at the order of the Committee, subject only to the terms and conditions hereof; and the Committee may exercise all rights of ownership in respect of such deposited stock. Transfer tax stamps upon deposited stock shall be an expense of the Committee.

The Committee may consent respecting, or vote, all deposited stock in person or by proxy or proxies at any and

all meetings of stockholders of any or all of the Lessor Companies upon any and all questions; and each Depositor hereby ratifies and confirms all that the Committee or its proxies, appointees, attorneys or substitutes shall lawfully do or cause to be done by virtue hereof.

Each Depositor who shall give a proxy to the Committee agrees that the Committee may vote his stock whether or not it shall have been deposited hereunder, or give proxies therefor to others to vote, at any and all meetings upon any and all questions, and hereby ratifies and confirms all that the Committee or its proxies, appointees, attorneys or substitutes shall lawfully do or cause to be done by virtue thereof and hereof.

5. Upon depositing his stock, as aforesaid, each Depositor shall receive from the Depositary, under and subject to the terms and conditions hereof, a certificate or certificates of deposit in such form as shall be prescribed by the Committee and approved by the Depositary, signed by the Depositary as agent of the Committee, registered in the name of the Depositor, and transferable, subject to the terms and conditions hereof, upon the books of the Depositary by the registered holder thereof or his duly authorized attorney in accordance with such rules as may be made by the Committee and approved by the Depositary. A separate class of such certificates of deposit shall be created for each class of stock of each Lessor Company. The transferee of any such certificate of deposit, by transfer duly endorsed thereon by the Depositor and properly witnessed, shall be entitled, upon surrender thereof to the Depositary and payment for the appropriate transfer stamps, to receive a new certificate or new certificates of deposit for the same number and kind or kinds of shares, in the name of such transferee or his nominee. Every transferee and assignee of any certificate of deposit shall be and be deemed to be a Depositor and a party to this Agreement and, as such, entitled to the same rights and privileges, and in every

way as fully bound by and subject to this Agreement, as the original Depositor. The Committee may, in its discretion, from time to time cause the books for the registration or transfer of the certificates of deposit, or of any class thereof, to be closed for such period or periods as it may deem necessary or desirable. The Committee, under regulations to be adopted by it and approved by the Depositary, may provide for the issuance of substitute certificates of deposit in place of certificates of deposit which have been destroyed, lost or mutilated. The Committee may from time to time appoint or remove a registrar or registrars and any other similar agent and may take steps to have the certificates of deposit listed on the New York Stock Exchange and other stock exchanges.

6. The Depositors hereby irrevocably authorize and empower the Committee to receive, and the several companies of which they are stockholders, to pay to the Committee, all dividends declared and paid upon the deposited stock so long as it shall remain on deposit hereunder. All dividends declared on any of the deposited stock and received by the Committee shall be paid at the office of the Depositary (or a sub-depositary), on such dates as the Committee may fix (as near as practicable to the date of receipt of such dividends), to the holders of the certificates of deposit issued for said stock, of record at the close of business on such date as the Committee may fix for taking such record.

7. Any member of the Committee may become a Depositor hereunder and, as such, entitled to all and the same rights, and subject to the same obligations, as other Depositors. To the same extent and with the same rights and immunities as though not having such relation to this Agreement or to the transactions contemplated in the plan, any member of the Committee and any firm, association or corporation of which any or all members of the Committee may be members, officers, directors or stockholders, or in which he or they is, are, or shall be interested in any way, and the Depositary or any sub-depositary, its officers, members and agents shall have the right to buy, sell, or otherwise deal in any stocks, bonds or obligations of any Lessor Company, or of the New Company, when organized, or in the certificates of deposit issued hereunder, and shall have the right to underwrite or join in the underwriting of any plan or agreement with reference to the Lessor Companies, or any of them, or the New Company, when organized, or with reference to stocks, bonds and/or obligations of any of such companies, and shall have the right to contract with the Committee, and to be a member or manager of any syndicate formed in connection with the plan or any modified or substitute plan; and they, or any of them, may become officers, directors, stockholders or employes of the Lessor Companies, or any of them, and/or the New Company, when organized, or any other company which may hereafter be organized or availed of in connection with the plan or any modified or substitute plan, and in general, may be or become interested, either beneficially or in any representative capacity, in any manner in such companies, or any of them, and any company or companies affiliated therewith, or with any of them, and in the securities, properties and affairs of such companies and affiliated companies, or any of them. All actions of the Committee, or of any member thereof or of the Depositary, or of any sub-depositary, shall be valid notwithstanding any such interest.

8. The Depositary and the sub-depositaries shall each be allowed such reasonable compensation for its services as the Committee shall fix, and be reimbursed for such expenses as may be paid or incurred by it with the approval of the Committee. No member of the Committee shall receive any compensation for his services except such reasonable amount, if any, from the Lessor Company which he represents as it may desire to pay and as may be ap-

proved by the Committee. The Committee, however, may make such expenditures and incur such indebtedness as in its discretion it shall deem necessary, judicious or expedient in order to carry out and effect the purposes of this Agreement or any of them, and shall be entitled to reimbursement therefor as hereinafter provided.

None of the stock deposited hereunder or received by or on behalf of the Committee shall be charged with the payment of any portion of the compensation or expenses of the Depositary or of any sub-depositary or of the expenditures or indebtedness of the Committee, or pledged or otherwise subjected to any lien by the Committee, nor shall any Depositor or the holder of any certificate of deposit be personally liable for any portion of such compensation, expenses, expenditures or indebtedness. All such compensation, expenses, expenditures and indebtedness shall be assumed by the New Company if the plan or any modified or substitute plan shall become operative with respect to any one or more of the Lessor Companies. If the plan or any modified or substitute plan shall be totally abandoned, then the Committee shall look for the payment of such compensation, expenses, expenditures and indebtedness solely to Messrs. O. P. and M. J. Van Sweringen. The Committee may arrange for underwriting the acquisition, control and operation of the properties of the Lessor Companies or of any one or more of said companies by the New Company.

9. Any member of the Committee may resign by giving notice in writing to the Chairman or Secretary thereof, and the Committee may settle any account or transaction with such member and fully release and discharge him. All vacancies in the Committee shall be filled by a majority of its remaining members provided that at all times there shall be at least one member who shall be an officer, director, or other representative of each of the Lessor Companies, approved

by its Board of Directors. The Committee may increase its number from time to time by adding new members. Each and every substitute or additional member of the Committee shall possess and may exercise the powers hereby conferred, and shall be subject to the duties and obligations hereby imposed, on its original members as fully in every respect as if he had been named herein as a party hereto. The Committee may, if it desire, select a Chairman, may appoint a Secretary who need not be a member of the Committee, may appoint sub-committees for any purpose, and may employ and discharge such counsel, attorneys, agents and assistants as it may see fit and fix and pay their compensation. The Committee may make its own rules and regulations as to holding and conducting its meetings, as to the character and length of notices thereof, and as to the number, not less than a majority, that shall constitute a quorum. At any meeting at which a quorum is present in person or by proxy, action may be taken by a majority of the members present in person or by proxy. Any member of the Committee may in writing, or by telegram, cable or wireless, authorize any other member, or any person satisfactory to a majority of the other members, to vote and act as his proxy with all of his powers. The Committee may take action without holding meetings in the following manner: any proposed action may be submitted to its members in writing and each member may send his vote thereon in writing, or by telegram, cable or wireless, to the Secretary, and all action so taken by a majority of the Committee shall be as binding on all parties hereto as if it had been taken at a duly convened meeting.

10. The plan accompanying this Agreement and any substantially similar plan with such changes or modifications as may be necessary or desirable to meet the requirements of the Interstate Commerce Commission and to comply with the laws of the several States and

of the United States applicable thereto and which in the judgment of the Committee (which shall be conclusive and binding) do not materially alter the rights of depositors is hereby accepted, approved and adopted and shall be taken to be a part of this Agreement with the same effect as though each and every statement and provision thereof had been embodied herein, and such plan and this Agreement shall be read and construed as one and the same instrument; but no estimate, statement, explanation or suggestion, nor anything else contained herein, in the plan, in such substantially similar plan, or in any modification or substitute plan, or in any amendment of or supplement to this Agreement or any such plan, or in any document, circular, notice or communication issued or published, or which may hereafter be issued or published, by the Committee or by the Depositary or by any sub-depositary is intended or is to be accepted as a representation or warranty or as a condition of or inducement for deposit or assent under this Agreement or any such plan, modification, amendment or supplement, and no defect or error herein or therein or in any such document, circular, notice or communication shall release any Depositor or affect or release any deposit or assent hereunder, except by the written consent of the Committee. The Committee shall have power to determine when sufficient stock of the various Lessor Companies shall have been deposited hereunder to warrant its declaring the plan or any modified or substitute plan to be operative as to any one or more of such Companies, and shall file notice of such determination with the Depositary or give notice thereof in such other manner as the Committee may deem proper. The Committee is specifically empowered to carry out in whole or in part the plan or such substantially similar plan or any duly modified or substitute plan, and to use, transfer, deliver or surrender any stock deposited hereunder and receive or cause to be delivered in exchange therefor, in accordance with such plan, stock of the New Company. The

Committee may investigate and obtain information concerning the financial condition, accounts, business and affairs of the respective Lessor Companies and the physical condition and value of their properties. It may, in its name, as owner of the deposited stock (if it shall have taken title thereto), or otherwise, institute, carry on or defend any and all suits, actions or proceedings or become a party to or intervene in any suit, action or proceeding now pending or hereafter to be brought, take any and all steps and proceedings, and do any and all acts and things which to it shall seem necessary or expedient, proper or desirable for the purpose of consummating, in whole or in part, the plan or such substantially similar plan or any modified or substitute plan, or for the purpose of ascertaining, protecting or enforcing the rights or interests of the Depositors or for any of the purposes hereof; and may, also, modify or rescind any action taken whenever the Committee may consider such modification or rescission wise or proper for the same purposes or any of them, whether before or after any such plan shall have been declared operative in whole or in part. It shall have power in its name, in the name of the Depositors, or otherwise, as it may deem proper, to give such directions, make such requests and demands, give, make, sign, execute and deliver such authorizations, contracts, consents, powers of attorney, proxies or other instruments in writing as will, in its judgment, tend to protect the rights and interests of the Depositors or further any of the purposes hereof, with full power of revocation and substitution. The enumeration in this Agreement of specific powers conferred upon the Committee shall not be construed to limit or restrict the general powers conferred upon it by this Agreement or intended so to be conferred, and it is hereby expressly declared that it is the intention to confer upon the Committee in respect of all stock deposited hereunder, and in all other respects, any and all powers which it may deem necessary or desirable in or

towards carrying out and accomplishing in whole or in part the general purposes of this Agreement in any and every particular, even though such powers be of a character not now contemplated. All powers granted by this Agreement to the Committee or to the Depositary may be exercised either before or after the Committee shall have declared the plan or any modified or substitute plan operative.

11. If at any time in the opinion of the Committee the plan or such a substantially similar plan as is referred to in paragraph 10 hereof, or any modified or substitute plan of the character in this paragraph 11 provided for, should be, or become, impossible, impracticable or undesirable of accomplishment, the Committee may abandon such plan, in whole or in part, as to any one or more of the Lessor Companies, and may modify the same or formulate such substitute plan as in its discretion may seem desirable. Copies of every such modification or substitute plan shall be filed with the Depositary. A copy of any such modification, if in the judgment of the Committee, which (except as stated in paragraph 15 hereof) shall be conclusive and binding, such modification shall materially alter the rights of Depositors, and a copy of each substitute plan shall be mailed (first-class mail) by the Committee to each of the holders of record of certificates of deposit by depositing the same in any mail box in the City of Cleveland, Ohio, or in the City of New York, New York, enclosed in a postpaid wrapper addressed to such holder at his post office address as such address shall appear on the books of the Depositary; and the substance of each such modification or substitute plan shall be published once a week for three successive weeks in at least one newspaper published and of general circulation in the Borough of Manhattan, City and State of New York and also in one newspaper published and of general circulation in the City of Cleveland, State of Ohio. In case the Depositary

shall not have the address of a Depositor, a copy of the modification or substitute plan shall be mailed to him care of J. P. Morgan & Co., New York, N. Y. Each Depositor shall be held to have accepted and agreed to the modification or substitute plan and it shall become effective and binding for all purposes upon him and on all of the stock represented by certificates of deposit held by him or in his name, whether or not he shall have expressly assented thereto and whether or not he shall have actually received the same, unless he shall within forty (40) days after the modification or substitute plan shall have been so mailed or from the date of the first publication of the substance thereof (whichever shall be later) notify the Committee care of J. P. Morgan & Co., New York, N. Y., by registered letter of his dissent therefrom, specifying the number and class of each certificate of deposit, if any, held by him. Such notice of dissent must be mailed so as to reach the Committee in New York City within such forty (40) days. If the Committee declare the modification or substitute plan operative it shall return to such dissenting Depositor, without charge, the stock covered by his certificates of deposit, or other certificates of stock for the same number and kind of shares, upon his surrendering to the Depositary his certificates of deposit, properly endorsed.

12. If the Committee shall at any time consider it for the best interests of the Depositors it may return to any holder or holders of certificates of deposit the stock represented thereby, or other certificates of stock for the same number and kind of shares, upon surrender to the Depositary of such certificates of deposit, duly endorsed.

13. The Committee may construe this Agreement and its construction or action thereunder shall be final and binding upon the Depositors and upon all holders of certificates of deposit. It may correct defects or supply omissions herein and make such modifications as in its judgment may be necessary to carry out this Agreement

properly and effectively and its judgment as to such necessity shall be final.

14. The Committee may, whenever it deems proper, call for the surrender of all outstanding certificates of deposit and shall make such call within four years from the date of this Agreement. Such call shall be published and mailed in the manner provided in paragraph 11 hereof. Each holder of a certificate of deposit shall promptly surrender such certificate, duly endorsed, to the Depositary. Thereupon the Committee shall deliver or cause to be delivered to him either

(*a*) Stock certificates for the number and kind of shares of stock of the New Company to which he is entitled under the operative plan (whether original, modified or substitute), or

(*b*) The stock represented by such certificate of deposit or other certificates for the same number and kind of shares.

Holders of certificates of deposit for stock of The New York, Chicago and St. Louis Railroad Company will not receive shares of the New Company but will be entitled to return of the deposited stock represented by such certificates of deposit, or other certificates for the same number and kind of shares, when the Committee shall call for surrender of certificates of deposit.

Any holder of a certificate of deposit by the surrender thereof to the Committee or to the Depositary under this or any other paragraph of this Agreement, except in exchange for another such certificate, releases and discharges the Committee and the Depositary and each subdepositary from all liability and accountability of any and every kind, character and description.

Six months after the last publication of such call, certificates of deposit issued hereunder shall cease to be

transferable and the books kept by the Depositary for the transfer thereof shall be closed. The Depositary may in its discretion turn over to the New Company all deposited stock then remaining in the hands of the Depositary, to be held by such company in trust for the holders of record of certificates of deposit outstanding as of that date and for distribution to such holders or their assigns in accordance with the operative plan, together with the amount of any dividends theretofore collected by the Committee in respect of such deposited stock then remaining in the hands of the Committee.

At any time within one year after the last publication of such call, the Committee shall file with the Depositary, or with the New Company if the plan or any modified or substitute plan shall have become operative with respect to any one or more of the Lessor Companies, a summary of the Committee's accounts, and it shall not be liable to make any prior or other accounting. Notice of such filing shall be given by publication only, in the manner provided in paragraph 11 hereof. Such accounts when so filed shall be final, binding and conclusive upon any parties having any interest therein, and thereupon the Committee, and each member thereof, shall be fully discharged of and from all liability hereunder in so far as the said accounts shall not be contested by the Depositors in writing filed with the Depositary, or with the New Company if the plan or any modified or substitute plan shall have become operative with respect to any one or more of the Lessor Companies, within thirty days after the filing of such accounts as above provided.

15. Anything herein to the contrary notwithstanding, any plan which does not provide for the acquisition of control of each and all of the Lessor Companies, either by lease or by acquisition of a majority of the outstanding capital stock, shall, for the purposes hereof, be, and be deemed to be, a modification materially altering the rights of Depositors, entitling any dissenting Depositor

to the return of his stock in the manner and upon the terms and conditions above provided in paragraph 11 hereof; but, for the purposes hereof, such an acquisition of control of The Chesapeake and Ohio Railway Company shall be deemed to constitute such an acquisition of control of The Hocking Valley Railway Company. Subject to the foregoing provision of this paragraph and upon compliance with the provisions of said paragraph 11, the Committee shall have power to carry out the plan, or any other plan herein provided for, in so far as it shall relate to any one or more, less than all, of the Lessor Companies, in which event each and every provision hereof shall apply with the same force and effect in every respect as if such Lessor Company or Companies only had been embraced in such plan.

16. The Depositary in all things hereunder shall be subject to the directions of the Committee alone and in all respects be and be deemed to be the agent and employe of the Committee solely. All directions or instructions given by the Committee to, powers conferred upon, or acts done by, the Depositary hereunder shall be binding upon Depositors, notwithstanding the termination of this Agreement or the amendment or supplementing hereof or the return of any or all of the deposited stock. The recitals herein are made solely by the Committee and the Depositors. The Depositary shall be fully protected in acting or refraining from acting under any provision hereof in reliance upon the certificate of the Chairman or Secretary of the Committee as to any action taken by the Committee or as to the existence or non-existence of any fact or facts or the performance or non-performance of any act or acts, and may accept as conclusive any statement made therein. Neither the Committee as a committee, nor any of its members, personally or individually, is to be under any obligation, legal or equitable, express or implied, to any holder of stock who shall not deposit the same hereunder or otherwise

become a party hereto, or to any person whomsoever other than the holders of certificates of deposit issued in accordance with the terms hereof. No member of the Committee shall be liable for the act or omission of any other member thereof, nor shall the Committee as a committee, or any member thereof, personally or individually, or the Depositary, be liable for the act or omission of any sub-depositary or of any attorney, agent or employe, either of the Committee or of the Depositary or any sub-depositary, or in any case, except each for its or his or their own willful misconduct; and any loss or liability of the Committee or of the Depositary, or any sub-depositary, other than such as may be caused by such willful misconduct, shall be conclusively deemed to be part of the expenses of the Committee. The Depositary shall incur no liability for anything done or permitted to be done at the request or direction of the Committee in carrying out the terms of this Agreement, the deposited stock being intended to be wholly at the order and under the control of the Committee. Neither the Committee nor the Depositary assumes any responsibility or liability as to the genuineness, validity or regularity of any of the deposited stock or the endorsements thereon or assignments or transfers thereof, or of any stocks created or issued in connection with the plan or any modified or substitute plan or as to the validity or sufficiency of any corporate proceedings or acts of any Lessor Company or of the New Company. Neither the Committee nor the Depositary nor any agent, attorney or employe of either shall be bound to take notice of or be affected by any trust respecting, or defect in the title to or ownership of, any certificate of deposit or the stock represented thereby, but they shall be entitled to treat the holder of record of such certificate for the time being as the absolute owner thereof and of such stock for all purposes, unaffected by any notice to the contrary. The Depositary may resign by giving to the Chairman of the Committee or to any two other members

of the Committee a notice of resignation at least ten days before such resignation shall become effective; but the Committee may waive such notice or accept a shorter notice. The Depositary may at any time be removed by a majority vote of the Committee. A successor Depositary may be appointed by the Committee in the event of the resignation or removal of the Depositary. Such successor shall be vested with all the powers and rights, and be subject to all the duties and obligations of the original Depositary, with the same effect as if such successor had been originally named herein. A Depositary who shall resign or be removed shall deliver to the successor Depositary the stock deposited with it by the Depositors or by the Committee, or held for account of the Committee or the Depositors, and shall thereupon be relieved from all further liability or responsibility of any kind whatever to the Committee or to the Depositors, and the holders of certificates of deposit issued by the Depositary, so resigning or removed shall thereafter look solely to the Committee and/or to the successor Depositary. The Depositary for the time being shall comply with the obligations of any predecessor Depositary which shall have issued certificates of deposit hereunder in the same manner and with the same effect as though such certificates of deposit had been issued by such Depositary for the time being. The Depositary may, with the consent and approval of the Committee, appoint one or more sub-depositaries or agents, additional to the Sub-Depositaries named herein, to accept and receive deposits of stock for the Depositary, and issue certificates of deposit hereunder therefor and forthwith report each such issue to the Depositary and/or under the direction of the Depositary, otherwise to assist it in the performance of any other duties imposed upon the Depositary either by this Agreement or by the Committee and all sub-depositaries, whether named herein or hereafter appointed, shall act as agents of the Depositary hereunder. The sub-depositaries shall have the same exemptions as are

herein specified with respect to the Depositary. Any sub-depositary, whether named herein or hereafter appointed, may resign or be removed by the Depositary at any time.

17. An affidavit made before a notary public by the Secretary of the Committee, or any employe of said Secretary, of the mailing of notices or the publication of calls provided for by this Agreement, shall be conclusive evidence of his acts and of the giving of such notices or the publication of such calls.

18. Wherever used in this Agreement,
the term "Depositary" refers to and means the depositary which may at the time be acting as such hereunder;
the term "Sub-Depositary" or "Sub-Depositaries" refers to and means the sub-depositary or sub-depositaries which may at the time be acting as such hereunder;
the term "Depositors" is intended and shall be construed to include partnerships, associations, joint stock companies and corporations;
the term "stock" includes certificates representing stock.

19. This Agreement may be executed in any number of counterparts, each of which shall be taken as a complete and original instrument, but all together shall constitute one agreement. At least one of such counterpart originals hereof shall be lodged with the Depositary.

This Agreement and all the provisions hereof shall extend to and be obligatory upon the parties hereto, and their and each of their survivors, heirs, executors, administrators, successors, successors in office and/or assigns.

IN WITNESS WHEREOF, the several members of the Committee have hereunto subscribed their names, the Depositary has caused this Agreement to be signed in its name

by a member thereof thereunto duly authorized, and the Depositors by signing this Agreement and/or by giving to the Committee proxies as herein provided and/or by depositing their stock with the Depositary or any sub-depositary hereunder, and their transferees and assigns, have become parties hereto and have become bound by all the provisions hereof. Depositors not signing this Agreement, but giving proxies to the Committee or depositing their stock with the Depositary or any sub-depositary, and their transferees and assigns, shall become parties hereto and shall become bound by all the provisions hereof with the same effect as if they had subscribed their respective names hereto.

J. J. BERNET,
W. J. HARAHAN,
W. L. ROSS,
F. D. UNDERWOOD,
E. N. BROWN,
O. P. VAN SWERINGEN,
M. J. VAN SWERINGEN,
Committee.

J. P. MORGAN & CO.,
Depositary.

Exhibit No. 65.

NICKEL PLATE SYSTEM

Company, *etc.*	Where Incorporated	Stock Outstanding	Stock owned by the Nickel Plate
The New York, Chicago and St. Louis Railroad Company.....	New York	.....	.....
	Pennsylvania	.....	.....
	Ohio	.....	.....
	Indiana	.....	.....
	Illinois	.....	.....
Total owned mileage.....			
Companies controlled by stock ownership:			
The Nickel Plate Connecting Railroad Corporation.....	New York	$5,000.00	$5,000.00
Trackage rights.....			
Total operated mileage.....			

Exhibit No. 65.

NICKEL PLATE SYSTEM

Termini	Mileage	How Operated
Buffalo, N. Y. to Chicago, Ill.....	513.07	By the Nickel Plate.
Toledo, O., to East St. Louis, Ill....	449.53	
Sandusky, O., to Wesley Junction, Ill.	412.77	
Indianapolis to Michigan City, Ind..	158.62	
Fort Wayne to Connersville, Ind....	104.59	
New Castle to Rushville, Ind.....	24.04	
St. Mary's to Minister, O.....	10.00	
At Chicago, Ill.....	0.16 (*a*)	
At Marion, Ind.....	0.18 (*b*)	
.....	1,672.96	
(Road not constructed)		
.....	22.34	By the Nickel Plate.
.....	1,695.30	

(*a*) Owned jointly with The New York Central Railroad Company.
(*b*) Owned jointly with The Cleveland, Cincinnati, Chicago and St. Louis Railway Company.

Exhibit No. 66.

CHESAPEAKE SYSTEM

Company, etc.	Where Incorporated	Stock Outstanding	Stock owned by the Chesapeake
The Chesapeake and Ohio Railway Company	Virginia	.....	.....
Total owned mileage			
Companies operated under lease and controlled by stock ownership:			
Ashland Coal and Iron Railway Company	Kentucky	$773,500	$773,500
The Chesapeake and Ohio Railway Company of Indiana	Indiana	6,000,000	5,998,800
The Covington and Cincinnati Elevated R. R. & Transfer and Bridge Company	Kentucky	1,500,000	1,500,000
Long Fork Railway Company	Kentucky	500,000	500,000
Millers' Creek Railroad Company	Kentucky	1,700	1,700
Norfolk Terminal and Transportation Company	Virginia	100,000	100,000
Companies operated under lease only:			
The Cincinnati Inter-Term. R. R. Co.	Ohio	825,000 (Pfd.) 10,000 (Com.)	87,500 (Pfd.)
Hammond Belt Railway Company	Illinois	75,000	.....
Island Creek Railroad Company	West Virginia	.....	.....
Other companies:			
Levisa River Railroad Company	Kentucky	50,000	50,000
Rock Castle Railroad Company	.....	38,800	38,800
Miscellaneous leased lines			
Trackage rights			
Total operated mileage			

Exhibit No. 66.

CHESAPEAKE SYSTEM

Termini	Mileage	How Operated
Fort Monroe, Va., to Covington, Ky.	663.1	By the Chesapeake.
Richmond to Clifton Forge, Va.	229.9	
Lindsay to Strathmore, Va.	29.8	
Whitcomb to Winterburn, W. Va.	100.8	
St. Albans to Sovereign and Seth, W. Va., and branches	134.47	
Barboursville to West Gilbert, W. Va., and branches	143.55	
Seaton to Lexington, Ky.	102.7	
Big Sandy Junction to Elkhorn City, Ky.	127.9	
C. & O. Junction (near Limeville), Ky., to Waverly, O.	30.4	
Branch lines, Va., W. Va. and Ky.	417.91	
.....	1980.53	
Ashland to Seaton, Ky., and branch	27.66	By the Chesapeake under lease dated Jan. 1, 1925.
Cincinnati, O., to H. Y. Tower, Ind.	260.7	By the Chesapeake under lease dated Dec. 31, 1921.
Covington, Ky., to Cincinnati, O.	1.8	Jointly by the Chesapeake and Louisville and Nashville R. R. Co., under contracts dated Feb. 7, 1888, Oct. 3, 1895, and Jan. 5, 1905.
Martin to Wecksbury, Ky., and branches	36.31	By the Chesapeake under lease dated Jan. 1, 1925.
Van Lear Junction to Mine No. 155, Ky.	4.53	By the Chesapeake under lease dated Jan. 1, 1925.
At Norfolk, Va.	...	By the Chesapeake under lease dated June 1, 1898.
M. D. Tower to 5th St. Junction, C. H. & D. R. R., Cincinnati, O.	0.57	By the Chesapeake as assignee of lease to C. & C. E. R. R. & T. & B. Co., dated Jan. 5, 1905.
Ill.-Ind. line to Louisville Junction, Ill.	2.9	By the Chesapeake as assignee of lease to C. & O. Ry. Co. of Ind., dated Dec. 31, 1912.
Logan to end of line, and branches, W. Va.	16.11	By the Chesapeake under lease dated April 5, 1912.
(Road not constructed)		
(Road not constructed)		
.....	23.41	
.....	294.89	
.....	2649.41	

Exhibit No. 67.

HOCKING SYSTEM

Company, etc.	Where Incorporated	Stock Outstanding	Stock owned by the Hocking
The Hocking Valley Railway Company	Ohio	.....	.....
Total owned mileage			
Companies operated under lease and controlled by stock ownership:			
The Pomeroy Belt Railway Company	Ohio	$150,000	$149,700
The Wellston and Jackson Belt Railway Company	Ohio	255,000	255,000
Trackage rights			
Total operated mileage			

Exhibit No. 67.

HOCKING SYSTEM

Termini	Mileage	How Operated
Rockwell to Columbus, Ohio	119.85	By the Hocking.
Columbus to Athens, Ohio	75.96	
Oldtown to Pomeroy, Ohio	80.70	
Logan to New Straitsville, Ohio	13.00	
Nelsonville to Monday Creek Junction, Ohio	16.76	
Snow Fork Junction to Murray City, Ohio	5.74	
Brush Fork Junction to New Pittsburg, Ohio	2.61	
Hocking to Poston, Ohio	5.99	
.....	320.61	
At and near Pomeroy, Ohio	3.95	By the Hocking under lease dated May 20, 1911.
Dundas to Jackson, O., and branches	17.26	By the Hocking under lease dated Jan. 1, 1901.
.....	6.75	
.....	348.57	

Exhibit No. 68.

ERIE SYSTEM

Company, etc.	Where Incorporated	Stock Outstanding	Stock owned by the Erie
Erie Railroad Company.....	New York	.....	.....
Total mileage owned and operated.....			
Mileage owned and not operated.....			
Total owned mileage.....			
Companies operated under lease and controlled by stock ownership:			
The Bergen County Railroad Company	New Jersey	$200,000	$200,000
The Buffalo, Bradford and Pittsburgh Railroad Company.....	New York	2,286,400	2,214,200
The Jefferson Railroad Company.	Pennsylvania	2,096,050	2,095,700
The Long Dock Company.....	New Jersey	800,000	800,000
Middletown and Crawford Railroad Company.....	New York	122,200	120,650 *1,250

* See Note B.

Exhibit No. 68.

ERIE SYSTEM

Termini	Mileage	How Operated
Piermont to Dunkirk, N. Y.....	446.78	By the Erie.
Greycourt to Newburgh, N. Y.....	18.73	
Newburgh Junction to Vails Gate Junction, N. Y.....	12.64	
Highland Mills to Graham, N. Y.....	38.60	
Painted Post to Attica, N. Y.....	109.01	
Attica to Buffalo, N. Y.....	31.30	
Hornell to Attica, N. Y.....	60.86	
River Junction to Cuba Junction, N. Y.	32.60	
Buffalo Creek Junction to Jamestown, N. Y.....	66.36	
East Buffalo to Suspension Bridge, N. Y.....	24.01	
International Junction to International Bridge, N. Y.....	4.50	
At North Tonawanda, N. Y.....	.97	
.....	846.36	
North Tonawanda to Lockport, N. Y...	*12.37	
.....	858.73	
Rutherford Junction to Ridgewood Junction, N. J.....	9.82	By the Erie under lease dated February 23, 1881, modified April 1, 1911.
Carrollton, N. Y. to Alton, Pa.....	26.17	By the Erie under lease dated January 5, 1866.
Bradford to Nusbaum, Pa.....	5.24	
West Hawley to Honesdale, Pa.....	8.18	By the Erie under lease dated January 1, 1869, supplemented November 30, 1870, and April 1, 1888.
Lanesboro to Carbondale, Pa.....	36.64	
In Jersey City, N. J.....	2.56	By the Erie under lease dated July 1, 1856, supplemented April 1, 1857, and November 16, 1885.
Crawford Junction to Pine Bush, N. Y.	10.22	By the Erie under lease dated January 30, 1882.

* See Note A.

Exhibit No. 68—(Continued).

ERIE SYSTEM

Company, etc.	Where Incorporated	Stock Outstanding	Stock owned by the Erie
Newark and Hudson Railroad Company	New Jersey	250,000	250,000
The New York and Greenwood Lake Railway Company	New Jersey	100,000	89,400
New York, Lake Erie and Western Coal and Railroad Company	Pennsylvania	500,000	80,600 * 419,400
New York, Lake Erie and Western Docks and Improvement Company	New Jersey	604,000	604,000
The Nypano Railroad Company.	Ohio and Pennsylvania	20,000,000	19,999,100
The Paterson, Newark and New York Railroad Company	New Jersey	250,000	250,000
The Youngstown and Austintown Railway Company	Ohio	10,500	10,150

Total mileage operated under lease and controlled by stock ownership.....

* See Note D.

Exhibit No. 68—(Continued).

ERIE SYSTEM

Termini	Mileage	How Operated
Croxton to Newark, N. J.	* 3.99	By the Erie under lease dated January 30, 1872.
Croxton to Sterling Forest, N. J.	40.74	By the Erie under lease dated May 1, 1896.
Ringwood Junction to Ringwood, N. J.	2.79	
Forest Hill to Main St., Orange, N. J.	4.16	
Caldwell Junction to Caldwell, N. J.	4.50	
Caldwell to Essex Fells, N. J.	.95	
Crawford Junction to Johnsonburg, Pa.	29.58	By the Erie under lease dated August 15, 1890, modified May 1, 1922.
Brockwayville to Toby Mines, Pa.	12.73	
Bundy Junction to Eureka Mines, Pa.	1.42	
At Weehawken, N. J.	†	By the Erie under lease dated February 8, 1890, supplemented June 2, 1913.
Salamanca, N. Y. to Dayton, Ohio	388.44	By the Erie under lease dated March 17, 1896.
Niobe Junction, N. Y. to New York-Pennsylvania state line	1.57	
Buchanan Junction to Oil City, Pa.	33.78	
Newark to Paterson, N. J.	11.33	By the Erie under lease dated September 8, 1868.
Youngstown to Leadville Mines, Ohio.	5.96	By the Erie under lease dated April 25, 1883, assigned to Erie March 17, 1896.
.....	640.77	

* See Note C.
† See Note E.

Exhibit No. 68—(Continued).

ERIE SYSTEM

Company, etc.	Where Incorporated	Stock Outstanding	Stock owned by the Erie
Companies operated under lease only:			
Avon, Geneseo & Mount Morris Railroad Company	New York	225,000	31,900
The Cleveland and Mahoning Valley Railway Company	Ohio		None
The Goshen and Deckertown Railway Company	New York		None
The Montgomery and Erie Railway Company	New York		None
Northern Railroad Company of New Jersey	New Jersey	1,000,000	800
Nyack and Southern Railroad Company	New York	50,000	*
The President and Directors of the Paterson and Hudson River Railroad Company	New Jersey	630,000	17,800 †
The Paterson and Ramapo Railroad Company	New Jersey	298,000	45,150 †
Rochester & Genesee Valley Railroad	New York	555,200	149,400
The Sharon Railway	Pennsylvania	1,389,000	507,300
Union Railroad Company	New York		None
(Westerman Coal and Iron Railroad)	Not incorporated	None	None

Total mileage leased and operated

Mileage leased and not operated

Total leased mileage

* See Note F.
† See Note B.

Exhibit No. 68—(Continued).

ERIE SYSTEM

Termini	Mileage	How Operated
Avon to Mount Morris, N. Y.	15.35	By the Erie under lease dated December 27, 1871, modified February 26, 1896.
Cleveland, Ohio, to connection with Westerman Coal and Iron Railroad.	79.21	By the Erie under lease dated March 9, 1917, assigned to Erie on the same date.
Niles to near Lisbon, Ohio	35.77	
Girard to Youngstown, Ohio	6.00	
Youngstown to Hazleton, Ohio	1.62	
Goshen to Pine Island, N. Y.	11.64	By the Erie under lease dated January 18, 1872, modified April 12, 1881.
Goshen to Montgomery, N. Y.	10.43	By the Erie under lease dated December 16, 1871, modified April 12, 1881, and April 22, 1886.
Croxton, N. J. to Sparkill, N. Y.	21.54	By the Erie under lease dated June 1, 1899.
Sparkill to Nyack, N. Y.	4.51	By the Erie under lease from Northern Railroad Company of New Jersey dated June 1, 1899.
Marion Junction, Jersey City, to Market Street, Paterson, N. J.	13.07	By the Erie under lease dated September 9, 1852, assigned to predecessor company of Erie September 10, 1852.
Straight Street, Paterson, N. J. to New Jersey-New York state line	14.76	By the Erie under lease dated September 9, 1852, assigned to predecessor company of Erie September 10, 1852.
Avon to Rochester, N. Y.	18.40	By the Erie under lease dated July 1, 1871.
Pymatuning Junction to Newcastle, Pa., with branch from Ferrona Junction to Mill Street, Sharon	31.20	By the Erie under lease dated January 14, 1901, assigned to Erie on the same date.
Boyce to Sharpsville, Pa.	1.55	
New Jersey-New York state line to Suffern, N. Y.	.85	By the Erie under lease dated September 10, 1852.
Mill Street, Sharon, Pa. to connection with Cleveland and Mahoning Valley Railway, near Pennsylvania-Ohio state line	2.09	By the Erie under lease dated January 1, 1886, modified January 1, 1891, assigned to Erie March 17, 1896.
	267.99	(See 2.09 miles included under "*Miscellaneous leased lines*")
Mount Morris, N. Y. to a point southerly thereof	2.35	*
	270.34	

* See Note G.

Exhibit No. 68—(Continued).

ERIE SYSTEM

Company, etc.	Where Incorporated	Stock Outstanding	Stock owned by the Erie
Companies operated through stock control only:			
The Arlington Railroad Company	New Jersey	4,000	4,000
The Arnot and Pine Creek Railroad Company	Pennsylvania	255,000	255,000
Bergen and Dundee Railroad Company	New Jersey	40,000	40,000
The Brockport and Shawmut Railroad Company	Pennsylvania	22,500	22,500
Columbus and Erie Railroad Company	Pennsylvania	130,000	130,000
Conesus Lake Railroad Company	New York	18,750	18,750
The Docks Connecting Railway Company	New Jersey	9,000	9,000
The Elmira State Line Railroad Company	New York	90,200	69,200
The Erie and Black Rock Railroad Company	New York	9,600	9,600
The Erie and Wyoming Valley Railroad Company	Pennsylvania	1,500,000	1,500,000
Erie Terminals Railroad Company	New Jersey	68,000	60,000 *8,000
Eriton Railroad Company	Pennsylvania	10,000	10,000
The Moosic Mountain and Carbondale Railroad Company	Pennsylvania	150,000	150,000
Penhorn Creek Railroad Company	New Jersey	6,000	6,000
Tioga Railroad Company	Pennsylvania	391,200 (Com.) 189,700 (Pfd.)	390,900 (Com.) 189,700 (Pfd.)
The West Clarion Railroad Company	Pennsylvania	20,000	†20,000

Total mileage operated through stock control only.....

Mileage controlled by stock ownership only and not operated.....

Total mileage controlled by stock ownership only.....

* See Note J.
† Stock owned by Northwestern Mining and Exchange Company.

Exhibit No. 68—(Continued).

ERIE SYSTEM

Termini	Mileage	How Operated
Connection with Newark and Hudson Railroad to connection with New York and Greenwood Lake Railway.	1.13	By the Erie.
Arnot Junction to Hoytville, Pa.	*11.77	By the Erie.
Garfield to Passaic, N. J.	2.45	By the Erie.
Brockport to Shawmut, Pa.	2.10	By the Erie.
New York-Pennsylvania state line to Columbus, Pa.	11.63	By the Erie.
Conesus Lake Junction to Lakeville, N. Y.	1.61	By the Erie.
Bergen Tunnel, N. J. to connection with New Jersey Junction Railroad.	.99	By the Erie.
State Line Junction, N. Y. to New York-Pennsylvania state line.	†6.51	By the Erie.
Black Rock Junction to Black Rock, N. Y.	1.14	By the Erie.
West Hawley to Port Blanchard, Pa.	63.91	By the Erie.
Lackawaxen to West Hawley, Pa.	15.61	
Over Hackensack River Bridge	‡.21	By the Erie.
Eriton Junction to Eriton Mines, Pa.	.89	By the Erie.
Winton to Marshwood, Pa.	4.21	By the Erie.
Jersey City to Secaucus, N. J.	5.04	By the Erie.
New York-Pennsylvania state line to Blossburg, Pa.	35.39	
Tioga Junction to Lawrenceville, Pa.	3.50	By the Erie.
Blossburg to Morris Run, Pa.	3.31	
Blossburg to Arnot, Pa.	#3.94	By the Erie.
At Brockwayville, Pa.	.86	By the Erie.
.....	176.20	
At Undercliff, N. J.	‡1.27	
.....	177.47	

* See Note H.
† See Note I.
‡ See Note K.
# See Note L.

Exhibit No. 68—(Continued).

ERIE SYSTEM

Company, etc.	Where Incorporated	Stock Outstanding	Stock owned by the Erie
Companies controlled by stock ownership and separately operated:			
Bath and Hammondsport Railroad Company	New York	100,000	*99,800
Chicago and Erie Railroad Comroad Company	Indiana	100,000	100,000
The New Jersey and New York Railroad Company	New Jersey & New York	1,440,800 (Com.) 787,800 (Pfd.)	1,080,800 (Com.) 779,400 (Pfd.)
New York, Susquehanna and Western Railroad Company	New Jersey & Penna.	12,960,830 (Com.) 12,995,840 (Pfd.)	12,780,173 (Com.) 12,955,244 (Pfd.)

Total mileage

* See Note M.

Exhibit No. 68—(Continued).

ERIE SYSTEM

Termini	Mileage	How Operated
Bath to Hammondsport, N. Y.	9.20	By Bath and Hammondsport Railroad Company.
Marion Junction, Ohio, to Indiana-Illinois state line near Hammond, Indiana	249.57	By Chicago and Erie Railroad Company.
New Jersey and New York Junction, N. J. to Stony Point, N. Y.	29.17	By The New Jersey and New York Railroad Company.
Nanuet to New City, N. Y.	4.29	
West End, Jersey City, N. J. to Stroudsburg, Pa. and branches	126.00	By New York, Susquehanna and Western Railroad Company.
At Undercliff, N. J.	*1.27	
Mine branches in Pennsylvania	10.78	By The Wilkes-Barre and Eastern Railroad Company under lease dated February 26, 1897, and sub-lease dated April 1, 1897.
	430.28	

* See Note K.

Exhibit No. 68—(Continued).

ERIE SYSTEM

Company, etc.	Where Incorporated	Stock Outstanding	Stock owned by the Erie
Other Companies:			
The Canal Belt Railroad Company	Ohio	50,500	49,800
Delaware Valley and Kingston Railway Company	New York	250,000	250,000
The Hackensack and Lodi Railroad Company	New Jersey	25,000	25,000 (*a*)
The Lodi Branch Railroad Company	New Jersey	60,000	60,000 (*a*)
Macopin Railroad Company	New Jersey	60,000	60,000 (*a*)
The New Jersey and New York Extension Railroad Company.	New York	72,500	72,500 (*b*)
Passaic and New York Railroad Company	New Jersey	70,000	70,000 (*a*)
The Pavonia Ferry Company	New Jersey	100,000	100,000
Susquehanna Connecting Railroad Company	Pennsylvania	500,000	500,000 (*a*)
The Wilkes-Barre and Eastern Railroad Company	Pennsylvania	3,000,000	3,000,000 (*a*)
Total mileage			
Miscellaneous leased lines:			
Total mileage			

(a) Stock owned by New York, Susquehanna and Western Railroad Company.
(b) Stock owned by The New Jersey and New York Railroad Company.

Exhibit No. 68—(Continued).

ERIE SYSTEM

Termini	Mileage	How Operated
No railroad constructed.		
No railroad constructed.		
Hackensack to Lodi Junction, N. J.	1.41	By New York, Susquehanna and Western Railroad Company under lease dated October 1, 1896.
Lodi to Lodi Junction, N. J.	.32	By New York, Susquehanna and Western Railroad Company under lease dated April 14, 1883.
Macopin to Macopin Lake Junction, N. J.	1.50	By New York, Susquehanna and Western Railroad Company under lease dated December 1, 1896.
Stony Point to Haverstraw, N. Y.	2.37	By The New Jersey and New York Railroad Company under lease dated May 19, 1887.
Passaic to Passaic Junction, N. J.	3.05	By New York, Susquehanna and Western Railroad Company under lease dated December 1, 1885.
No railroad or ferry operated.		
Paddy's Land to Minooka, Pa.	7.71	By The Wilkes-Barre and Eastern Railroad Company under lease dated April 1, 1897.
Stroudsburg to Wilkes-Barre, Pa. and branches	64.50	By The Wilkes-Barre and Eastern Railroad Company.
	80.86	
Weehawken to Monmouth Street, Jersey City, N. J.	2.09	By the Erie under lease from New Jersey Junction Railroad Company, dated July 1, 1891.
Brady's Lake to Ravenna, Ohio	*	By the Erie under lease from Pennsylvania Company, as lessee of Cleveland and Pittsburg Railroad, dated July 1, 1911.
In Jamestown, N. Y. and vicinity	†	By the Erie under lease dated November 25, 1913, modified November 26, 1913.
	2.09	

* See Note N.
† See Note O.

Exhibit No. 68—(Continued).

ERIE SYSTEM

Company, etc.	Where Incorporated	Stock Outstanding	Stock owned by the Erie
Companies jointly operated under lease:			
Trackage rights			
Total operated mileage			

NOTE A. A part of the Lockport Branch of the Erie, .97 mile, is operated by the Erie; the remainder thereof, 12.37 miles, is leased to and operated by International Railway Company as part of its electric traction system under lease made June 1, 1898, modified September 1, 1899.

NOTE B. Erie Land and Improvement Company, the entire capital stock of which is owned by the Erie, owns the following stocks:
$1,250 of the capital stock of Middletown and Crawford Railroad Company;
$17,800 of the capital stock of the President and Directors of the Paterson and Hudson River Railroad Company;
$45,150 of the capital stock of the Paterson and Ramapo Railroad Company.

NOTE C. A part of the railroad owned by Newark and Hudson Railroad Company is not included in the lease made January 30, 1872, and a part of the railroad included in said lease is not operated as first main track. The mileage stated is the approximate first main track mileage operated.

NOTE D. Northwestern Mining and Exchange Company of Erie, Pennsylvania, the entire capital stock of which is owned by the Erie, owns $419,400 of the capital stock of New York, Lake Erie and Western Coal and Railroad Company.

NOTE E. Yard and terminal tracks.

NOTE F. Northern Railroad Company of New Jersey owns the entire $50,000 capital stock of Nyack and Southern Railroad Company.

NOTE G. Sub-leased to and operated by The Dansville and Mount Morris Railroad Company under agreement made January 2, 1894.

Exhibit No. 68—(Continued).

ERIE SYSTEM

Termini	Mileage	How Operated
Railroad of The Buffalo Creek Railroad Company, all situated in Buffalo, N. Y.		By the Erie and Lehigh Valley Railroad Company, as joint lessees, under lease from The Buffalo Creek Railroad Company dated December 31, 1889, supplemented December 31, 1910.
	127.79	
	2,571.79	

NOTE H. The railroad of The Arnot and Pine Creek Railroad Company was leased to Tioga Railroad Company on March 6, 1883.

NOTE I. The railroad of The Elmira State Line Railroad Company was leased to Tioga Railroad Company on August 11, 1876.

NOTE J. New York, Susquehanna and Western Railroad Company, practically all of the capital stock of which is owned by the Erie, owns $8,000 of the capital stock of Erie Terminals Railroad Company.

NOTE K. The Erie Terminal Railroad Company owns 1.27 miles of railroad at Undercliff, N. J., which it does not operate but over which New York, Susquehanna and Western Railroad Company operates under trackage rights.

NOTE L. The railroad from Blossburg, Pa., to Arnot, Pa., was leased by Bloss Coal Mining and Railroad Company to Tioga Railroad Company on July 1, 1867, and was subsequently acquired, subject to said lease, by The Blossburg Coal Company.

NOTE M. $99,800 capital stock of Bath and Hammondsport Railroad Company is owned by Southern Tier Development Company, the entire capital stock of which is owned by Erie Land and Improvement Company, the entire capital stock of which is, in turn, owned by the Erie.

NOTE N. Operated as second main track. Distance 3.08 miles.

NOTE O. Yard and industrial tracks, now owned by Jamestown, Westfield and Northwestern Railroad Company.

Exhibit No. 69.

PERE MARQUETTE SYSTEM

Company, *etc.*	Where Incorporated	Stock Outstanding	Stock owned by the Pere Marquette
Pere Marquette Railway Company.	Michigan	.....	.....
Total owned mileage.....			
Companies operated under lease or contract and controlled by stock ownership:			
Flint Belt Railroad Company..	Michigan	$692,600	$692,600
The Fort Street Union Depot Company	Michigan	1,000,000	515,800
Companies operated through stock control only:			
Huron and Western Railroad Company	Michigan	$88,000 (*a*)	$88,000 (*a*)
Trackage rights.....			
Total operated mileage in U. S. A.....			
CANADIAN LINES			
The Lake Erie and Detroit River Railway	Dominion of Canada	$1,400,000	$1,400,000
Trackage rights in Canada.....			
Grand total of mileage operated as of Jan. 1, 1925, exclusive of side tracks.....			

(a) Held by J. L. Cramer and C. S. Sikes, as trustees for the Pere Marquette.

Exhibit No. 69.

PERE MARQUETTE SYSTEM

Termini	Mileage	How Operated
Detroit to Lansing and North Lansing to Grand Rapids, Mich., with branches	168.68	By the Pere Marquette.
Grand Rapids, Mich., to Porter, Ind., with branches	210.41	
Allegan to Grand Haven and Ferrysburg to Pentwater, Mich., with branches and connecting tracks.....	123.76	
Berry to Big Rapids, Mich., with connecting track	51.79	
Grand Rapids to Bay View, Mich., with branches and connecting track.....	237.95	
Saginaw to Ludington, Mich., with branches and connecting tracks.....	220.77	
Saginaw, Mich., to Hallet (Toledo), O., with branches and connecting tracks.	157.25	
Saginaw to Essexville, Mich., with branches	25.49	
Hoyt to Mershon, Mich., with branches and connecting tracks.....	19.28	
Hoyt to Port Huron, Mich., and branch	118.03	
Port Huron to Grindstone City, Mich., with branches and connecting track.	125.72	
Saginaw to Bad Axe, Mich., with branch and connecting tracks.....	66.53	
Paines to Elmdale, Mich., with connecting tracks.....	103.15	
Grand Ledge to Kidd, North Greenville to Howard City and Howard City to Big Rapids, Mich., with branches	160.30	
.....	1789.11	
McGrew to Atwood, Mich.....	8.24	By the Pere Marquette, under contract dated June 1, 1923.
At Detroit, Michigan.....	1.23	By the Pere Marquette, Wabash Ry. Co., Canadian Pacific Ry. Co., and Pennsylvania R. R. Co., under agreements, dated Dec. 10, 1889, June 1, 1900, and Aug. 8, 1921.
Wolverine Mine Branch, Bay City, Mich.	11.32	By the Pere Marquette.
.....	88.40	
.....	1898.30	
CANADIAN LINES		
Walkerville to St. Thomas, Ont.....	126.86	By the Pere Marquette, under operating contract dated June 1, 1923.
Sarnia to Ericau, Ont.....	72.18	
.....	137.93	
.....	2235.27	

Exhibit No. 70.

TABLE SHOWING INTERLOCKING OFFICERS, DIRECTORS, ETC., OF APPLICANTS

	NICKEL PLATE	CHESAPEAKE	HOCKING	NEW COMPANY
Begien, Ralph N	.....	Vice Pres. (a)	Vice Pres. (a)	.....
Bernet, J. J	President / Director (b)	Director (c)	Director (c)	Incorporator
Bradley, C. L	Vice Pres. / Director (d)	Director (c)	Director (c)	Incorporator
Bronson, W. S	.....	Gen'l Att'y (e)	Gen'l Att'y (e)	.....
Colston, W. A	Vice Pres. / Gen'l Counsel / Director (f)	Director (c)	Director (c)	Incorporator
Fitzpatrick, Herbert	.....	Vice Pres. / Gen'l Counsel (g)	Vice-Pres. / Gen'l Counsel (g)	.....
Harahan, W. J	.....	President / Director (e)	President / Director (e)	....
Jenks, B. L	Director	.....	.....	Incorporator
Lohmeyer, H. F	....	Ass't Sec'y (e)	Ass't Sec'y (e)	.....
Michie, C. C	.....	Ass't Sec'y (e)	Ass't Sec'y (e)	.....
Miller, Otto	Vice Pres. / Director (h)	Director (c)	Director (c)	
Nutt, J. R	Vice Pres. / Director (i)	Director (c)	Director (c)	Incorporator
Pearce, H. C	.....	Director of Purchases & Stores (e)	Director of Purchases & Stores (e)	.....
Rearick, A. C	.....	Counsel (j)	Counsel (j)	....
Ross, W. L	Sr. Vice Pres. / Director (k)	Director (k)	Director (k)	.....
Trevvett, A	.....	Sec'y. & Treas. (e)	Sec'y. & Treas. (e)	.....
Van Sweringen, M. J	Vice Pres. / Director (l)	Director (c)	Director (c)	Incorporator
Van Sweringen, O. P	Director (m)	Director (c)	Director (c)	Incorporator
Wall, G. B	.....	Vice Pres. (e)	Vice Pres. (e)	.....
Whitaker, F. M	.....	Vice Pres. (n)	Vice Pres. (n)	.....

(a) Order, dated June 13, 1923, F. D. No. 2562
(b) " " May 9, 1923, " 2735
(c) " " Jan. 27, 1923, " 2732
(d) " " May 9, 1923, " 2737
(e) " " Dec. 6, 1921, " 1627
(f) " " May 10, 1923, " 2489
(g) " " Nov. 7, 1923, " 3311
(h) Order, dated May 10, 1923, F. D. No. 2734
(i) " " May 10, 1923, " 2736
(j) " " Dec. 3, 1921, " 1691
(k) " " May 11, 1923, " 1855
(l) " " May 9, 1923, " 2733
(m) " " May 5, 1923, " 2732
(n) " " June 28, 1923, " 3065

Exhibit No. 71.

POINTS OF INTERCHANGE BETWEEN SYSTEMS OF LESSOR COMPANIES

	CHESAPEAKE	HOCKING	ERIE	PERE MARQUETTE
NICKEL PLATE	Muncie, Ind. Peru, Ind. Marion, Ind. Burnham, Ill. (a) Chicago, Ill. (b)	Fostoria, Ohio Toledo, Ohio	Chicago, Ill. (b) Hammond, Ind. Cleveland, Ohio Lima, Ohio Ohio City, Ohio Buffalo, N. Y. Dunkirk, N. Y. Kingsland, Ind. Rochester, Ind.	Thomaston, Ind. Belfast, Ind. Buffalo, N. Y. (c) Chicago, Ill. (b) La Porte, Ind. (d) Toledo, Ohio (e)
CHESAPEAKE	.....	Columbus, (Parsons Yard), Ohio	North Judson, Ind. Griffith, Ind. Hammond, Ind. Chicago (Clearing), Ill. Highlands, Ind. Saxony, Ind. Cincinnati, Ohio (f)	La Crosse, Ind. Chicago (Clearing), Ill.
HOCKING	Columbus, (Parsons Yard), Ohio	.....	Marion, Ohio	Toledo, Ohio
ERIE	North Judson, Ind. Griffith, Ind. Hammond, Ind. Chicago (Clearing), Ill. (b) Highlands, Ind, Saxony, Ind. Cincinnati, Ohio (f)	Marion, Ohio	.....	Chicago, Ill. (b) Suspension Bridge N. Y.

(a) Via Baltimore and Ohio Chicago Terminal Railroad.
(b) Via Belt Railway of Chicago and Chicago and Western Indiana Railroad.
(c) Via Delaware, Lackawanna & Western Railroad and Lehigh Valley Railroad
(d) Via New York Central Railroad.
(e) Via Toledo Terminal Railroad.
(f) Via Cincinnati, Hamilton and Dayton Railroad.

Exhibit No. 72.

COMPARISON OF AMOUNTS OF STOCK (1) ISSUED BY LESSOR COMPANIES AND (2) TO BE ISSUED BY NEW COMPANY UNDER LEASE FROM NICKEL PLATE AND IN EXCHANGE FOR STOCKS OF OTHER LESSOR COMPANIES

Stock Issued by Lessor Companies			Stock to be Issued by New Company			
	Amounts		Ratios		Amounts	
	Preferred	Common	Preferred	Common	Preferred	Common
The New York, Chicago and St Louis Railroad Company:						
Preferred stock outstanding	$25,865,666 (a)		1.00		$25,865,666.00	
Common stock outstanding		$30,406,464 (a)		1.00		$30,406,464.00
The Chesapeake and Ohio Railway Company:						
First Preferred stock	3,000					
Second Preferred stock	200					
6½% Cumulative Preferred stock	12,558,500		1.15		14,445,955.00	
	12,561,700					
Common stock outstanding		65,414,725				
Common stock in Treasury		11,000				
		65,425,725	.55	.55	35,984,148.75	35,984,148.75
The Hocking Valley Railway Company:						
Common stock owned by Chesapeake and Ohio		8,837,900 (b)			.....	.....
Common stock outstanding owned by others		2,161,600				
Common stock in Treasury		500				
		2,162,100	.50	.50	1,081,050.00	1,081,050.00
Erie Railroad Company:						
First Preferred stock	47,904,400					
Second Preferred stock	16,000,000					
	63,904,400					
Common stock		112,481,900	.50	.40	31,952,200.00	44,992,760.00
Pere Marquette Railway Company:						
Prior Preference stock	11,200,000		1.00		11,200,000.00	
Preferred stock	12,429,000		.90		11,186,100.00	
Common stock		45,046,000		.85		38,289,100.00
To be issued by New Company for cash upon organization					50,000.00	50,000.00
Totals	$125,960,766	$264,360,089			$131,765,119.75	$150,803,522.75

SUMMARY

	Lessor Companies	New Company
Preferred stock	$125,960,766.00	$131,765,119.75
Common stock	264,360,089.00	150,803,522.75
Totals	$390,320,855.00	$282,568,642.50

(a) Includes Stock Liability for Conversion.
(b) Not to be exchanged.

Exhibit No. 75.

Form of Certificate for Preferred Stock of the New Company

NUMBER SHARES

THE NEW YORK, CHICAGO AND ST. LOUIS RAILWAY COMPANY

THIS TO CERTIFY THAT

is the owner of

shares of the par value of One Hundred Dollars ($100.) each of the Six Per Cent. Cumulative Preferred Capital Stock, Series "A", of The New York, Chicago and St. Louis Railway Company, fully paid and non-assessable and transferable on the books of the Company by the holder hereof in person, or by duly authorized attorney, upon surrender of this Certificate properly endorsed.

A statement of the rights, preferences, privileges, limitations and restrictions of the Preferred Capital Stock and of the Common Capital Stock, respectively, is printed on the back of this Certificate and this Certificate and the shares represented hereby are issued and shall be held subject to all the provisions of the Articles of Incorporation pursuant to which the Company was organized, to all of which and to all future amendments to the Articles of Incorporation made as provided by law the holders of this Certificate assent and agree to be bound. This Certificate is not valid until countersigned by the Transfer Agent and registered by the Registrar.

IN WITNESS WHEREOF the said Company has caused this Certificate to be signed by its duly authorized officers and its corporate seal to be hereunto affixed.

Dated .....

.....
Vice-President.

.....
Assistant Treasurer

Countersigned:

.....
Transfer Agent

By.....
Assistant Secretary.

Registered:

.....
Registrar

By.....
Assistant Secretary.

Statement of the rights, preferences, privileges, limitations and restrictions of the Preferred Capital Stock and of the Common Capital Stock of The New York, Chicago and St. Louis Railway Company.

The holders of the cumulative preferred stock, Series "A", of the corporation shall be entitled to receive, when and as declared by the board of directors, dividends at the rate of six per centum (6%) per annum, payable in preference and priority to any payment of any dividend on the common stock, such dividends to be payable quarterly on dates to be fixed by the board of directors. Dividends

on the cumulative preferred stock, Series "A", shall be cumulative from such date as may be fixed by the board of directors at the time of issuance thereof, so that, if, in any quarterly dividend period, dividends at the rate of six per centum (6%) per annum shall not have been paid upon or declared and set apart for the cumulative preferred stock, Series "A", the deficiency shall be fully paid or declared and set apart for payment before any dividends shall be paid upon or declared or set apart for the common stock. After three years from the date of issue, the outstanding cumulative preferred stock, Series "A", may be redeemed in whole, or from time to time in amounts of not less than One Million Dollars ($1,000,000), par value, on any quarterly dividend payment date, at the option of the board of directors, upon not less than sixty (60) or more than ninety (90) days' notice to the holders of record of said cumulative preferred stock, Series "A", given by mail and by publication in such manner as may be prescribed by the by-laws of the corporation or by resolution of its board of directors, by payment in cash, for each share of stock so to be redeemed, of one hundred and ten per centum (110%) of the par value thereof, together with all dividends accumulated and unpaid thereon to the date fixed for the redemption thereof. If less than all of the outstanding shares of said cumulative preferred stock, Series "A", are to be redeemed, such redemption may be made pro rata, or the shares to be redeemed may be selected by lot, in either case in such manner as may be prescribed by resolution of the board of directors.

In the event of the involuntary liquidation or dissolution of the corporation and distribution of its assets, the holders of the outstanding cumulative preferred stock, Series "A", shall be entitled to receive out of the assets of the corporation, whether capital or surplus, the par value of their respective shares, together with an amount equal to all unpaid accumulated dividends thereon, whether or not declared, before any payment shall be made to the holders of the common stock, but shall not participate further in the distribution of said assets. But in the event of the voluntary liquidation or dissolution of the corporation and distribution of its assets, the holders of the cumulative preferred stock, Series "A", shall be entitled to receive out of the assets of the corporation, whether capital or surplus, one hundred and ten per centum (110%) of the par value of their respective shares, together with an amount equal to all unpaid accumulated dividends thereon, whether or not declared, before any payment shall be made to the holders of the common stock, but shall not participate further in the distribution of said assets.

The holders of such class of cumulative preferred stock of the corporation of each series other than Series "A", which may hereafter be issued, shall be entitled to receive, when and as declared by the board of directors, dividends at such rate or rates, not exceeding eight per centum (8%) per annum, as shall be determined by the board of directors upon the creation of such series, payable in preference and priority to any payment of any dividend on the common stock, such dividends to be payable quarterly on dates to be fixed by the board of directors. Dividends on each series shall be cumulative from such date as may be fixed by the board of directors at the

time of issuance thereof, so that, if, in any quarterly dividend period, dividends, at the rate determined by the board of directors upon the creation of the respective series, shall not have been paid upon or declared and set apart for the series respectively, the deficiency shall be fully paid or declared and set apart for payment before any dividends shall be paid upon or declared or set apart for the common stock. After three years from the date of issue, the outstanding cumulative preferred stock of any series other than Series "A" may be redeemed in whole, or from time to time, in amounts of not less than One Million Dollars ($1,000,000) par value, on any quarterly dividend payment date, at the option of the board of directors, upon not less than sixty (60) or more than ninety (90) days' notice to the holders of record of said cumulative preferred stock of the series to be redeemed, given by mail and by publication in such manner as may be prescribed by the by-laws of the corporation or by resolution of its board of directors, by payment in cash, for each share of stock so to be redeemed, of an amount to be fixed by the board of directors at the time of issuing or authorizing the series, which amount shall not exceed one hundred and fifteen per centum (115%) of the par value thereof, together with all dividends accumulated and unpaid thereon to the date fixed for the redemption thereof. If less than all of the outstanding shares of any series of said cumulative preferred stock are to be redeemed such redemption may be made pro rata, or the shares to be redeemed may be selected by lot, in either case in such manner as may be prescribed by resolution of the board of directors.

In the event of the involuntary liquidation or dissolution of the corporation and distribution of its assets, the holders of the outstanding cumulative preferred stock of any series other than Series "A" shall be entitled to receive out of the assets of the corporation, whether capital or surplus, the par value of their respective shares, together with an amount equal to all unpaid accumulated dividends thereon, whether or not declared, before any payment shall be made to the holders of the common stock, but shall not participate further in the distribution of said assets. But in the event of the voluntary liquidation or dissolution of the corporation and distribution of its assets, the holders of the cumulative preferred stock of each series other than Series "A" shall be entitled to receive out of the assets of the corporation, whether capital or surplus, the redemption price thereof, determined in the manner above prescribed, together with an amount equal to all unpaid accumulated dividends thereon, whether or not declared, before any payment shall be made to the holders of the common stock, but shall not participate further in the distribution of said assets.

If at any time more than one series of cumulative preferred stock of the class herein authorized be outstanding, any amounts applicable to dividends on such class of cumulative preferred stock, but being less than the full amount payable on all series of such class of cumulative preferred stock outstanding, if declared as dividends, shall be divided between the outstanding series of such class of cumulative preferred stock in proportion to the aggregate sums which would be distributable to each series thereof if full dividends were to be declared and paid thereon; and if, in the event of the liquidation

or dissolution of the corporation and the distribution of its assets, there shall be outstanding more than one series of such class of cumulative preferred stock of different redemption values or bearing different rates of dividend, and the assets of the corporation shall not be sufficient to pay the full demands of all series of such class of cumulative preferred stock as hereinabove provided, the assets shall be distributed between the outstanding series of such class of cumulative preferred stock in proportion to the aggregate sums which would be distributable to each series thereof if full distribution were to be made.

The holders of such class of cumulative preferred stock of any series shall not be entitled to participate in any other or additional profits, earnings or dividends than the preferred dividends above provided.

Except as hereinafter otherwise specifically provided, the holders of such class of cumulative preferred stock of any series shall have no right to vote at any annual or special meeting of stockholders for the election of directors or at any other meeting of stockholders, and the consent of the holders of such class of cumulative preferred stock of any series shall not be required nor shall such holders have any right to vote in any proceeding (1) for issuing any bonds or other evidences of indebtedness; (2) for pledging or mortgaging the property and franchises of the corporation; (3) for guaranteeing the bonds or other evidences of indebtedness, contracts, obligations or liabilities of any other corporation or of any person; (4) for sale or lease of the franchises and property of the corporation; (5) for merger or consolidation into or with any other corporation or corporations; (6) for voluntary dissolution or liquidation; (7) for change of name; (8) for increasing its authorized capital stock; (9) for creating any classes of stock or for establishing priorities or creating preferences among the several classes of its stock; or in any other proceeding requiring the vote or consent of stockholders; nor shall they be entitled to notice of any meeting of stockholders of the corporation; *provided, however,* that, if and when four quarterly dividends upon such class of cumulative preferred stock shall be in arrears, or if and when the corporation shall have allowed a continuous period of two years to elapse during the course of which it shall at no time have fully paid up all amounts due to holders of all series of such class of cumulative preferred stock for accumulated dividends, then in either of such events the holders of such class of cumulative preferred stock of all series shall be entitled to notice of any stockholders' meetings called for the purpose of electing directors until payment of dividends on all series of such class of cumulative preferred stock shall have been resumed and all accumulated dividends thereon paid in full. Such notice is to be given in the same manner as is provided for giving similar notice to the holders of common stock, and at such meetings the holders of all series of such class of cumulative preferred stock shall be entitled to elect one-fifth of the directors for the next ensuing year by a majority vote of such stock voted in person or by proxy at such meetings. Except as herein otherwise specifically provided, such right of the holders of such class of cumulative preferred stock to notice and to voting power shall cease whenever all dividends in

arrears upon such stock shall have been paid in full. Anything herein contained to the contrary notwithstanding, if, upon any sale or lease of the franchises and property of the corporation, or upon any merger or consolidation of the corporation into or with any other corporation, or upon any increase of the authorized capital stock of the corporation or the creation of any class of stock or the establishment of priorities or the creation of preferences among the several classes of stock, any class of stock shall be created or be proposed to be created having preference, either as to dividends or as to assets, over the cumulative preferred stock of the class in Article Fourth of the articles of incorporation provided for or over the stock of the purchasing, leasing or merging corporation, or of the consolidated corporation, for which preferred stock provided in said Article Fourth shall be exchangeable pursuant to the terms of such sale, lease, merger or consolidation, then and in any such event, but not otherwise, the holders of such preferred stock of this corporation, then outstanding, shall be entitled to notice, given in the same manner as is provided for giving similar notices to the holders of the common stock, of any stockholders' meetings called for the purpose of authorizing such sale, lease, merger or consolidation or such increase of stock or such creation of a class of stock or such establishment of priorities or creation of preferences, and to vote upon such sale, lease, merger or consolidation or increase of stock, or such creation of a class of stock or such establishment of priorities or creation of preferences, and no such sale, lease, merger or consolidation or increase of stock or such creation of a class of stock or such establishment of priorities or creation of preferences shall be made without the vote of two-thirds of such preferred stock then outstanding in favor thereof (but such vote shall not be necessary to any increase of the class of cumulative preferred stock herein authorized, whether of Series "A" or of any other series of such class, regardless of the rate of dividend, redemption price or rate of distribution upon liquidation or dissolution).

It is the express intent and purpose that the holders of the cumulative preferred stock shall have no vote in the control or management of the corporation or of its business, transactions or affairs, except as herein expressly provided; and if, under any existing or future law, state or federal, or of any foreign country, it be or shall at any time become necessary, in order to exclude such holders from the right to vote in any proceeding or upon any matter or question with respect to which such right is not herein specifically granted, that they be specificallly excluded therefrom by the certificate of incorporation or other certificate or instrument filed or recorded pursuant to law, or otherwise, then such specific exclusion shall be deemed to be herein written.

In the event of merger or consolidation of the corporation with any other corporation or corporations, authorized as herein provided, the cumulative preferred stock of all series shall be exchangeable for stock of the consolidated corporation, or for stock of the corporation into which merger is effected, at the ratios and upon the terms and conditions provided in the articles or agreement of merger or consolidation, or, at the option of the stockholder, shall be purchased at its fair market value, but at not more than the redemption

prices, including accumulated and unpaid dividends, provided or determined as above set forth.

The common stock shall be subject to the prior rights of the holders of such class of cumulative preferred stock of all series. If, after the declaration and payment in full of all dividends for all previous quarterly dividend periods and for the current quarterly dividend period on all outstanding series of such class of cumulative preferred stock, or, if after such declaration and the setting aside from the surplus or net profits of the corporation of a sum sufficient for the payment of such dividend, there shall remain any surplus or net profits of such period or periods, or of any preceding period or periods, any or all such surplus or net profits of such period and of any and all preceding periods, including the surplus of any other corporation or corporations which shall have been consolidated with or merged into said corporation or the properties and assets of which shall have been acquired by said corporation by purchase or otherwise, shall be applicable to dividends upon the common stock. And out of any such surplus or net profits the board of directors may in their discretion declare and pay dividends upon the common stock upon any of the dividend payment dates fixed as aforesaid but not until after the dividends upon such class of cumulative preferred stock of all series for the current quarterly dividend period shall have been actually paid or declared and set apart.

Except as herein otherwise specifically provided, the authorized capital stock of the corporation may be increased, and such increase may be common stock or preferred stock of the class herein authorized or of different classes, with such rights, priorities and preferences and in such amounts in respect of each as shall be permissible by law, from time to time, either (*a*) prior to the organization of the corporation and if, but not unless its authorized capital stock shall have been fully subscribed for and an installment of ten per centum (10%) on each share of stock paid thereon, by the original subscribers in the manner prescribed by law, or (*b*) after the organization of the corporation, at a stockholders' meeting, duly called and held pursuant to law, by and with the consent of the holders of a majority of the stock upon which they would be entitled to vote at an election of directors of the corporation, or (*c*) in any other manner now or hereafter permitted, authorized or prescribed by law; *provided, however*, that the total amount of preferred stock at any time outstanding shall not exceed sixty per centum (60%) of the par value of the total capital stock then actually outstanding. The additional shares, authorized by any such increase after the organization of the corporation, shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the board of directors shall determine; and, in particular, such shares may be issued with a preferential or qualified right to dividends and with a special, or without any, right of voting, except such right, if any, as may be required by law. The directors may from time to time offer for subscription or otherwise issue or sell for any consideration permitted by law at par or any less prices, as they may determine, any or all of the unissued stock of the corporation of any class now authorized or which may hereafter be authorized or any bonds, debentures or other securities convertible into stock of any

class, without offering to the stockholders then of record of any class any thereof on the same terms or on any terms, irrespective of whether such stock, bonds, debentures or securities or any part thereof be issued for property or services or cash or otherwise, and no holder of any class of stock shall have any right, pre-emptive or other, to subscribe for, purchase, or receive any part of any such stock, bonds, debentures, or other securities convertible into stock now or hereafter authorized to be issued.

For Value received, hereby sell, assign and transfer unto

Shares of the Capital Stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

Attorney to transfer the said stock on the books of the within named Company with full power of substitution in the premises.

Dated, ..., 19 .

.....

In Presence of .....

NOTICE: The Signature to this assignment must correspond with the name as written upon the face of the certificate in every particular without alteration or enlargement, or any change whatever.

Exhibit No. 76.

FORM OF CERTIFICATE FOR COMMON STOCK OF THE NEW COMPANY

NUMBER SHARES

THE NEW YORK, CHICAGO AND ST. LOUIS RAILWAY COMPANY

THIS IS TO CERTIFY THAT

is the owner of

shares of the par value of ONE HUNDRED DOLLARS ($100.) each of the COMMON CAPITAL STOCK of The New York, Chicago and St. Louis Railway Company, fully paid and non-assessable and transferable on the books of the Company by the holder hereof in person, or by duly authorized attorney, upon surrender of this Certificate properly endorsed.

A statement of the rights, preferences, privileges, limitations and restrictions of the Preferred Capital Stock and of the Common Capital Stock, respectively, is printed on the back of this Certificate and this Certificate and the shares represented hereby are issued and shall be held subject to all the provisions of the Articles of Incorporation pursuant to which the Company was organized, to all of which and to all future amendments to the Articles of Incorporation made as provided by law the holders of this Certificate assent and agree to be bound. This Certificate is not valid until countersigned by the Transfer Agent and registered by the Registrar.

IN WITNESS WHEREOF the said Company has caused this Certificate to be signed by its duly authorized officers and its corporate seal to be hereunto affixed.

Dated.....

.....
Vice-President

.....
Assistant Treasurer

Countersigned:

.....
Transfer Agent.

By .....
Assistant Secretary.

Registered:

.....
Registrar.

By .....
Assistant Secretary.

[NOTE: *For a statement of the rights, preferences, privileges, limitations and restrictions, which will appear on the back of certificates for Common Stock, see Exhibit No. 75.*]

For Value received, hereby sell, assign and transfer unto

Shares
of the Capital Stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

Attorney
to transfer the said stock on the books of the within named Company with full power of substitution in the premises.

Dated, ..., 19 .

.....

In Presence of.....

NOTICE: The Signature to this assignment must correspond with the name as written upon the face of the certificate in every particular without alteration or enlargement, or any change whatever.

Exhibit No. 77.

FORM OF CERTIFICATE FOR FRACTIONAL SHARE OF PREFERRED STOCK OF THE NEW COMPANY

NUMBER $\frac{}{100}$ OF ONE SHARE

THE NEW YORK, CHICAGO AND ST. LOUIS RAILWAY COMPANY

Certificate of Ownership of a Fraction of a Share of Stock—Preferred

THIS IS TO CERTIFY THAT

is entitled to hundredths of one share of the par value of ONE HUNDRED DOLLARS ($100.) each of the SIX PER CENT. CUMULATIVE PREFERRED CAPITAL STOCK, SERIES "A," of The New York, Chicago and St. Louis Railway Company, subject to the terms and conditions herein stated.

When this Certificate and similar Certificates for fractions of shares of the Preferred Capital Stock, Series "A," equal to one or more whole shares, all duly endorsed for transfer, shall be presented and surrendered to the Company, a certificate for a full share or shares of the Preferred Capital Stock, Series "A," equal in amount to the aggregate of such fractions of shares shall be issued in place thereof; but fractions of shares shall not be entitled to any interest or dividend nor shall any holder thereof be entitled to vote thereon at any meeting of the stockholders.

This Certificate when properly endorsed by the holder in person, or by duly authorized attorney, shall be transferable on the books of the Company upon its presentation and surrender. This Certificate is not valid until countersigned by the Transfer Agent and registered by the Registrar.

IN WITNESS WHEREOF the said Company has caused this Certificate to be signed by its duly authorized officers and its corporate seal to be hereunto affixed.

Dated.....

.....
Vice-President.

.....
Assistant Treasurer

Countersigned:

.....
Transfer Agent.

By.....
Assistant Secretary.

Registered:

.....
Registrar.

By.....
Assistant Secretary.

For Value received, hereby sell, assign and transfer unto

hundredths of one share of the Capital Stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

Attorney

to transfer the said stock on the books of the within

named Company with full power of substitution in the premises.

Dated, ..., 19 .

.....

In Presence of.....

NOTICE: The Signature to this assignment must correspond with the name as written upon the face of the certificate in every particular without alteration or enlargement, or any change whatever.

Exhibit No. 78.

FORM OF CERTIFICATE FOR FRACTIONAL SHARE OF COMMON STOCK OF THE NEW COMPANY

NUMBER $\frac{\quad}{100}$ OF ONE SHARE

THE NEW YORK, CHICAGO AND ST. LOUIS RAILWAY COMPANY

Certificate of Ownership of a Fraction of a Share of Stock—Common

THIS IS TO CERTIFY THAT

is entitled to hundredths of one share of the par value of ONE HUNDRED DOLLARS ($100.) each of the COMMON CAPITAL STOCK of The New York, Chicago and St. Louis Railway Company, subject to the terms and conditions herein stated.

When this Certificate and similar Certificates for fractions of shares of the Common Capital Stock equal to one or more whole shares, all duly endorsed for transfer, shall be presented and surrendered to the Company, a certificate for a full share or shares of the Common Capital Stock equal in amount to the aggregate of such fractions of shares shall be issued in place thereof; but fractions of shares shall not be entitled to any interest or dividend nor shall any holder thereof be entitled to vote thereon at any meeting of the stockholders.

This Certificate when properly endorsed by the holder in person, or by duly authorized attorney, shall be transferable on the books of the Company upon its presentation and surrender. This Certificate is not valid until countersigned by the Transfer Agent and registered by the Registrar.

IN WITNESS WHEREOF the said Company has caused this Certificate to be signed by its duly authorized officers and its corporate seal to be hereunto affixed.

Dated.....

.....
Vice-President.

.....
Assistant Treasurer.

Countersigned:

.....
Transfer Agent.

By.....
Assistant Secretary.

Registered:

.....
Registrar.

By.....
Assistant Secretary.

For Value received, hereby sell, assign and transfer unto

hundredths of one share of the Capital Stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

Attorney to transfer the said stock on the books of the within

named Company with full power of substitution in the premises.

Dated, ..., 19

.....

In Presence of.....

NOTICE: The Signature to this assignment must correspond with the name as written upon the face of the certificate in every particular without alteration or enlargement, or any change whatever.

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